

EUROPEAN NEWS

Brussels takes aim at telecoms terminal market

BY DAVID BUCHAN IN BRUSSELS

THE EUROPEAN Commission is shortly to issue a directive requiring EC member states to give telecommunications users a free choice in terminal equipment.

Madrid cancels Eta talks after kidnap

BY OUR FOREIGN STAFF

THE SPANISH Government said yesterday it was breaking off talks with Eta, the Basque separatist organisation, after accusing it of kidnapping a prominent businessman.

Craxi rubs salt in some old Communist party wounds

BY JOHN WYLES IN ROME

WITH MOST of Italy's politicians resting between crises, Mr Bettino Craxi, the Socialist party leader, has chosen to add to the nation's agony by simultaneously involving both the Catholic Church and Mikhail Gorbachev in a pitiless campaign of embarrassment against the Communist party.

Turkey and Egypt plan joint naval training exercises

BY JIM BODGENER IN ANKARA

TURKEY and Egypt will hold joint naval exercises in the eastern Mediterranean, General Necip Torunbay, Turkey's chief of general staff, said yesterday in Cairo.

European ties still bind US

AMERICANS STRONGLY favour keeping US troops in Western Europe but think the allies should help more to defend democracy and fight terrorism around the world, according to a survey published yesterday.

The Gallup survey also indicated that Americans are more interested in developments in Japan and the Soviet Union than in Europe, although they support strengthening ties to Europe.

Missiles head east - by rail

BY LESLIE COLTIN IN WAREN, EAST GERMANY

EAGERLY WATCHED by invited journalists and relieved locals, the Soviet Union began the early withdrawal yesterday of its SS-12 nuclear missiles from two bases in East Germany.

More cash for farmers in France

By Ian Davidson in Paris

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Gorbachev to visit Yugoslavia

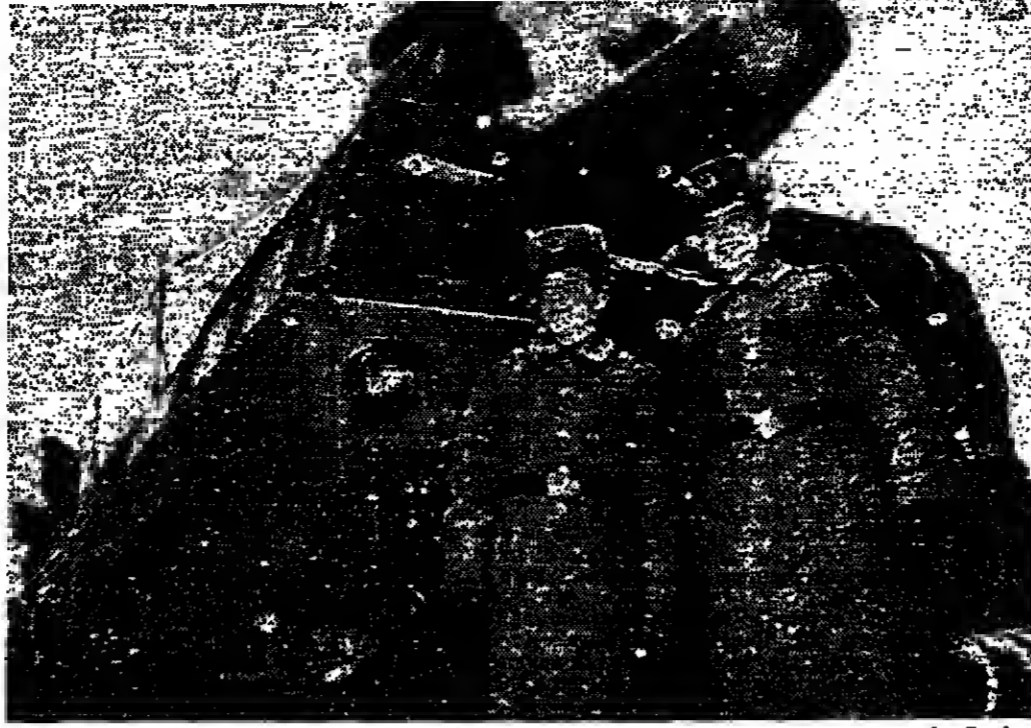
MR MIKHAIL Gorbachev, the Soviet leader, will make a long-delayed visit to Yugoslavia on March 14, Soviet officials in Belgrade said yesterday.

Crete protests

About 400 Greek left-wingers staged a demonstration against a US Sixth Fleet supply vessel berthed in Crete, Reuters reports from Athens.

Berlin's library of war crimes emerges into the limelight

THE BERLIN Document Centre (BDC) is a historian's dream and a criminal's nightmare.



Two soldiers stand in front of a missile carrier leaving East Germany yesterday for the Soviet Union.

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Mending fences with the neighbours

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Susan Greenberg gives a personal view on the background to the Balkan conference which Yugoslavia is hosting in Belgrade

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THE Copenhagen manager of South African Airways, Mr Hans Boetius, and a Danish travel company have been charged with violating trade laws with South Africa for arranging safari tours to South Africa, writes Hilary Barnes in Copenhagen.

OECD sees harder times for Austria

BY JUDY DEMPSEY IN VIENNA

AUSTRIA'S traditionally stable economy is heading for more difficult times, according to an Organisation for Economic Co-operation and Development survey. It pinpoints three areas for concern: economic growth, unemployment and the budget deficit.

Economic growth is declining, it says. And while the economy faces no dramatic slowdown such as occurred to those of other OECD countries during the 1970s, the downward trend is accelerating.

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President Kurt Waldheim, has cancelled a speech he was due to give on March 11, the 50th anniversary of the Anschluss, the German annexation of Austria, writes Judy Dempsey.

than Sch32bn, principally by cutting subsidies, charging for certain social services, and imposing wage restraints.

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Such nervousness also shows in the reaction to articles published recently in the liberal Slovenian press, in the north of the country, which criticised the biggest foreign policy taboo of all - the army. Charges have now been laid against two journalists for saying that the Defence Minister was selling arms to unsavory regimes and taking the country into the Soviet bloc.

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Danish police also obtained a court order to examine tickets sales to a number of destinations by SAS, the Scandinavian airline, in an attempt to identify individuals on the safari tour, who are due to leave Copenhagen tomorrow.

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OVERSEAS NEWS

Zia denies US rift over Kabul

PRESIDENT Mohammad Zia-ul-Haq of Pakistan dismissed signs of a rift with the US yesterday and said that his country had no basic disagreement with its ally on an Afghan peace settlement. Reuters reports from Lahore. "There is no basic disagreement between us, and the [contrary] impression in this regard is based on propaganda," he said after meeting Mr Michael Armacost, the US Under-Secretary of State. Mr Zia's comments came in the face of contradictory statements from US and Pakistani officials over the past few days, indicating a rift over Afghanistan. Pakistan has insisted repeatedly that no accord at the United Nations-sponsored talks in Geneva should be signed until a new, neutral government had taken over in Kabul. However, official accompanying Mr George Shultz, US Secretary of State, said on Tuesday that Washington opposed the Pakistani stance. The official said it would be willing to ask Moscow to delay a withdrawal of its troops until the warring Afghan sides had reached a political settlement. Mr Armacost met Mr Zia for more than an hour in Lahore at the end of a two-day visit to Pakistan.

Hundreds of Kurds executed says Amnesty

AT LEAST 46 Kurds from Iraq's strategically vital province of Sulaimaniya were among hundreds executed in recent months, according to Amnesty International. Their bodies were handed back to their families early last year on payment of an "execution fee" of 300 dinars, according to the human rights organisation. The intensified crackdown on the Kurdish minority is seen by Western analysts as reflecting President Saddam Hussein's growing preoccupation with the pressure on the Iraqi armed forces by Iranian-backed Kurdish guerrillas. Last week Iran said its Revolutionary Guards had attacked Iraqi positions east of Kirkuk, the major oil producing centre from where oil is piped to the export terminal at Ceyhan in Turkey. US satellite pictures showed Iraqi forces received a "past" in exchanges with fighters of the Kurdistan Democratic Party in the Mawat region along the Iranian border last month.

Beirut protestors denounce Shultz

SEVEN thousand chest-pounding Shiite demonstrators marched to the bombed-out US embassy in Moslem West Beirut yesterday denouncing US Secretary of State George Shultz's latest Middle East mission, with turbaned clerics chanting death to "the American spy Higgins". The massive and well-organised rally, a human chain of bearded youth and women decked in black, coincided with the arrival of Mr Shultz in Israel on the first leg of a tour in the area. Lieutenant Colonel William Higgins, 43, the head of the Lebanon observer group attached to the United Nations truce supervision, was kidnapped by bearded gunmen near Tyre in south Lebanon on February 17. A hunt launched by soldiers of the UN interim force in Lebanon for the missing Shiite Amal militia leader, who has had no concrete results so far. A military commander of the moderate Amal movement in Tyre told a group of 45 Shiite clergymen yesterday that plans were under way by a 26-man squad to kidnap foreigners, including Norwegians, Swedes, and French working for Unifil and the United Nations relief and works agency as well as the international committee of the Red Cross working in south Lebanon. On February 5, two Scandinavian officials of Unrwa, a Norwegian and a Swede, were abducted by guerrillas and their fate remains unknown. Daoud, the Amal commander, was appealing to the group of religious men to take a stand against the growing influence of Iran-backed Hizballah, bent on driving foreigners out of Lebanon. Abdel Majied Saleh, a political leader of Amal in the Tyre area, denied his group had any specific information about such a squad in a conversation with United Nations spokesman Tim Gookes. With the flight of foreigners from the Lebanese capital, the emphasis on abductions by pro-Iranian activists has shifted to south Lebanon where United Nations peacekeeping soldiers and other relief organisations had been operating freely.

Cardinal warns Aquino of renewed insurgency

PRESIDENT Corason Aquino of the Philippines yesterday returned to the scene of the revolution that swept her to power, only to hear her country's leading churchman warn that an accelerating left-wing insurgency might in turn topple her. Reuters reports from Manila. "Many believe it is already too late: the insurgency, now so far advanced, is at the gates," Cardinal Jaime Sin told Mrs Aquino and 20,000 people at an open-air mass marking the second anniversary of Mrs Aquino's revolution. The mass took place on Edsa (Epifanio de los Santos) the highway where hundreds of thousands of people gathered for four days in February 1986 to halt tanks sent to crush an army rebellion that eventually drove Mr Ferdinand Marcos, then president, into exile. As Mrs Aquino bowed her head in prayer on a flower-decked grandstand, about 6,000 left-wing protesters marched on her presidential palace to denounce what they called the growing militarism of her two-year presidency. In a central Manila plaza, about 200 Marcos supporters staged their separate protest, burning an effigy of Mrs Aquino and demanding the return of the exiled ruler. The army had put troops in the capital on full alert against what it said were threats by left-wing and right-wing extremists to disrupt celebrations. However, by nightfall, the city remained largely peaceful. Earlier, Mrs Aquino had joined crowds on Edsa and linked hands with soldiers and officials in a ceremony aimed at reviving what many Filipinos believe is the dying spirit of people power.

'After the violence comes civil disobedience'

DR GEORGE HABASH, leader of the revolutionary Popular Front for the Liberation of Palestine, seems an unlikely advocate of a Gandhi-style campaign of civil disobedience in the West Bank and Gaza Strip. But he signalled recently that this was the likely next stage of the Palestinian rebellion in the occupied territories. "What we are thinking of now is to elevate the current uprising to reach the level of civil disobedience," declared the Marxist Dr Habash, speaking in his heavily guarded and austere offices in the Syrian capital. Dr Habash's advocacy of a non-violent method of confronting the Israelis indicates a willingness by one of the Palestine Liberation Organisation's high-profile most important and determined advocates of armed struggle to consider alternative strategies. "We know we cannot defeat Israel in a military way, but we can tell Israel we are not going to deal with occupation, we don't recognise it and we are going to act accordingly," he said. Dr Habash's PFLP was behind a series of spectacular terrorist actions carried out in the early 1970s by an organisation calling itself "Black September". These included the 1972 Munich Olympic Games massacre of Israeli athletes which outraged world opinion. He said the "methods and means" practised by the PFLP in the early 1970s had been discontinued because "it made us lose the support of international opinion." But he added that his organisation "had the right" to use all legitimate means, including armed struggle, to achieve its aims. Dr Habash, a 62-year-old medical doctor trained at the American University in Beirut, has been General Secretary of the PFLP's Central Committee since 1967. While he is partly paralysed by a stroke, he remains an influential and durable figure of the PLO. FFLP activists - the "Popular Front" has strong roots in the occupied territories - are in the vanguard of stone throwing and harassment of Israeli troops in the Gaza Strip and West Bank. Dr Habash, who talked animatedly for several hours and was apparently buoyed by recent events in territories occupied by Israel since the 1967 war, predicted that the uprising would continue and would become a permanent feature of the Arab-Israeli conflict. "We were expecting the uprising to be more intense than previous uprisings," he said. "But what happened on the ground went beyond all expectations." Dr Habash insisted that, despite claims to the contrary, the traditional leadership of the PLO was helping to direct the rebellion in the occupied territories. "The uprising was planned," he said. Dr Habash, whose office was decorated with revolutionary posters, said a campaign of civil disobedience was likely to end in a refusal by Palestinians to supply their labour to the Israelis and to buy Israeli goods. But he added "we must take into consideration the ability of the masses to undergo such a test." Thousands of Palestinians travel from the West Bank and Gaza to work in Israel each day. Israeli-made products fill the shops of Arab towns in the occupied territories. Explaining the origins of the uprising, or *intifada* as Dr Habash repeatedly described it, the PLO official said that occupation had become a "daily nightmare" for the Palestinian masses on all levels - socially, politically and economically. "That is why," he said, "our people reached the conclusion that if life means occupation or the continuity of occupation, we don't want to continue to live like that. People now don't fear death." Dr Habash said that among factors which had spurred the present uprising was the reunification last April in Algiers of the PLO such as the PFLP with the mainstream Fatah guerrilla group led by Mr Yasser Arafat, the PLO chairman. Another cause of the uprising was a realisation that, because Arab regimes had other preoccupations such as the Gulf War, the Palestinian movement needed to be more self-reliant. Dr Habash said that among the important consequences of the Palestinian movement of the continuing unrest was that it had "raised the political consciousness" of all the PLO. "I think that the leadership of the uprising inside the occupied territories will play a correcting and adjusting role for the PLO," he said. Dr Habash has often been at odds with Mr Arafat over attempts by the latter to seek a compromise formula that would allow the PLO to participate in peace talks with Israel. The PFLP was bitterly opposed to the Amman Accord of early 1985 under which Mr Arafat agreed to seek a Middle East settlement in partnership with Jordan's King Hussein on the basis of United Nations resolutions 242 and 338 which recognise both the state of Israel and the right of the Palestinians to self-determination. The joint peace effort collapsed within a year with the King accusing Mr Arafat of reneging on undertakings to accept the UN resolutions. The PLO refuses to endorse the resolutions because they do not address Palestinian rights to self-determination and statehood. Dr Hsbash was intensely sceptical of any progress resulting from current Middle East peace efforts sponsored by King Hussein, Egypt's President Hosni Mubarak and the US. "The US," he said, "is sending delegates [to the Middle East] with the aim of aborting the uprising." "When the US says 'yes' for a true international [Middle East peace] conference, and not just an international umbrella, and when the US accepts the PLO as the representative of the Palestinian people, then that would be a new stand and we must deal with it rationally," he said.



George Habash: unlikely Gandhi

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Transport bottlenecks threaten new famine

FOREIGN donors have pledged more than three quarters of Ethiopia's emergency cereal needs for 1988, but famine is still a serious risk because of transport bottlenecks. The first report this year by the Food and Agriculture Organisation's early warning system for Africa, published today, speaks of congestion at Ethiopian ports and an urgent need for port handling equipment, trucks, fuel and spare parts. Massawa, the northern port which serves the drought-stricken regions of Eritrea and Tigre, has been particularly badly affected. The large volume of food seeded in Ethiopia this year - about 1.3m tonnes of cereals alone - threatens to overwhelm Ethiopia's underdeveloped transport network. Food has to be distributed at 100,000 tonnes per month, a rate achieved only once during the 1984-85 famine. In sub-Saharan Africa as a whole, 1987 harvests were below those of 1986, pushing up cereal import needs by 25 per cent to about 9.3m tonnes for 1987-88. Mozambique, Malawi and Angola are all in precarious positions.

Last year over 7,000 new jobs were created in Telford. In that same period over one and a quarter million square feet of factory floor space was let. This year will see the start of multi-million pound building programmes from Seiko Epson, NEC, Ricoh, Peaudoce, Marks and Spencer, and the District Land Registry. In short, in Telford things are going well. So well, in fact, that it is now the fastest growing town in the West Midlands. But it's not only the quantity of the development going on in the town that bodes so well for its future. It's the quality, too. The companies we've mentioned will be working alongside the likes of Maxwell, Nikon, Lucas Industries, Westinghouse, British Brown Boveri, Tatung and many others. Companies of this stature don't make the decision to locate in a town on the basis of short term profits. They'll only invest if they're convinced of a site's long term viability.

TSB	NEC
TRIGON PACKAGING	HOOVER UNIVERSAL
EVER READY	LUCAS INDUSTRIES
GLYNWED	NIKON
WINDSOR LIFE	WARNER & SWASEY
BAIRD GROUP	BAT PRODUCTS
MERLIN GERIN	GKNSANKEY
PLASTIC OMNIUM	BISCHOF & KLEIN
PEAUDOUCE	WESTINGHOUSE
INLAND REVENUE	TATUNG
TOSHIBA	RICOH
TISSOT	MAXELL
SEIKO EPSON	EPWIN GROUP

PERHAPS IT'S TIME WE BOUGHT A NEW SIGNPOST.



Manufacturing, however, isn't the only type of development that has been attracted. Barclays and Lloyds have both chosen Telford for Business Banking operations. The Inland Revenue have established their National Computer Development Centre in the town. And the insurance company Windsor Life are moving their headquarters from the south east to Telford's Enterprise Zone. The town has also developed into a thriving community. Population has grown from 80,000 in 1971, to over 111,000 today. 20,000 new homes have been built and land has been set aside for 12,000 more. Telford's facilities are everything you'd expect and include a racquet and fitness centre that serves six counties, as well as one of the most modern shopping complexes in Europe. As the town is set amongst some of Britain's finest countryside, opportunities abound for enjoying the outdoor life. Indeed, nearby Ironbridge has recently been declared a World Heritage Site by UNESCO. To find out more about Telford's success just ring Chris Mackrell, Commercial Director on 0952 613131. Or better still, visit the town yourself. You can take the M54 Telford Motorway, or travel by train from London Euston in just over two hours. As for our signpost, well don't worry. In Telford we've got six sign writing businesses, and like so many other businesses in the town, they're all doing rather well. TELFORD DEVELOPMENT CORPORATION, PRIORSLEE HALL TELFORD, SHROPSHIRE TF2 9NT.



VISIT AMTEX '87 AT THE TELFORD EXHIBITION CENTRE, SEPTEMBER 8-11.

Mexico warns over poor response to debt deal

BY DAVID GARDNER IN MEXICO CITY

MEXICO HAS warned that failure by its creditor banks to respond positively to today's auction of debt, to be exchanged at a discount for new US Treasury-backed bonds, will lead to the novel scheme being scrapped.



Angel Gurría 'debt will unite this country'

"There has to be a result which is attractive," Mr Angel Gurría, Mexico's chief foreign debt negotiator, told the Financial Times. "There has to be savings of substance, scratching a few pennies off debt service is not worth it. If we're not happy, we'll just fold it."

reading" at the auction, Mr Gurría said, which would establish the concept that Mexican debt is not worth 100 cents on the dollar. "The banks were being offered a business, market-based proposition. This discount has been created by the market and we should have some of it," he added.

Argentina faces austerity wave

BY TIM COONE IN BUENOS AIRES

THE ARGENTINE government's latest letter of intent with the IMF was released in Buenos Aires yesterday. This heralded a new wave of austerity which conforms closely with the traditional orthodox IMF adjustment package involving tax and tariff rises, giving high real interest rates and further falls in real incomes during 1988.

On the basis of this letter, it is expected that the IMF will now release the third \$225m tranche of a \$1.4bn standby loan agreed last year, but which has been delayed for over two months due to Argentina's failure to comply with earlier letters of intent.

Other important points: The government will maintain a growth target of 4 per cent for 1988; Public sector enterprises will be self-financed this year, in return for the Treasury taking charge of their debt service payments which amount to \$1.1bn annually.

US probes Northrop fraud allegations

By Rodrick Oram in New York

THE PENTAGON and a US civil court are investigating allegations of large-scale fraud by Northrop on the Stealth bomber, one of the most important US military aircraft projects.

The allegations have been made by one current and three former employees of the Los Angeles-based defence contractor. If their civil suit filed this week is successful, they would share in the reimbursement and damages the government would collect from Northrop.

They claim Northrop is deliberately over-billing the Pentagon for progress payments on the bomber and using the extra money to help fund other military aircraft projects. They also say that Northrop's poor management of the project has resulted in numerous design changes and inadequate co-operation with subcontractors.

Canada unveils rules for MPs

BY DAVID OWEN IN TORONTO

THE scandal-plagued government of Mr Brian Mulroney, the Canadian Prime Minister, this week tabled its long-awaited bill outlining proposed conflict-of-interest guidelines for MPs and senators.

The move follows less than a month after Mr Mulroney dismissed Mr Michel Cote, the Supply Services Minister, from his Cabinet for allegedly failing to report a personal loan.

within one year of leaving office from any firm dealing extensively with his or her department. Any action taken by an MP or senator resulting in a significant personal financial benefit would be considered a conflict-of-interest under the proposed law.

Jamaica in debt-equity swap

BY CANUTE JAMES IN KINGSTON

JAMAICA'S central bank is considering applications for debt-equity swaps involving \$100m of the island's foreign commercial debt.

concluded the first two agreements in the programme. Hanes Printables of North Carolina, a garment manufacturer, and Citibank have agreed on converting \$1.5m of Jamaican debt. Hanes Printables is to expand a garment factory which it operates in western Jamaica.

have started last year, but were delayed while the government implemented measures to reduce the inflationary impact of the programme. This had been done with the creation of a debt-equity bond which is sold for the local currency equivalent of the debt being converted. The bonds earn 15 per cent interest, and the authority will expand its maturity structure as the foreign debt.

Ruder criticised over futures

over futures.

A COMMODITY Futures Trading Commission (CFTC) commissioner has criticised Securities and Exchange Commission chairman Mr David Ruder for calling for higher margins on stock index futures and closer surveillance of futures markets by the SEC. Ruder reports from Washington.

Mr Ruder said on Tuesday that he thought margins on stock index futures should be raised and suggested that he thought the SEC should exercise more aggressive oversight over futures.

ments, currently about 15 per cent, should be raised to between 20 per cent and 25 per cent to dampen shifts by large institutional traders in and out of futures markets, a practice he has said accelerated the October stock market crash.

There does need to be some explanation. There is a tremendous confusion out there as to the term program trading. In the eyes of a lot of people from the NYSE, program trading and index arbitrage are synonymous.

WORLD TRADE NEWS

Taiwan plans \$1bn loan fund to aid developing nations

BY BOB KING IN TAIPEI

TAIWAN plans to establish a soft-loan fund of up to \$1bn to help developing nations build up their economies - much as Taiwan itself was helped by developed nations three decades ago.

The Overseas Economic Co-operation Fund takes as its inspiration similar funds operated by South Korea and Japan. Its focus will be flexible. The money could, for instance, be used to help developing nations with infrastructural projects, assist Taiwanese companies in investing overseas, fund technical co-operation, or enhance trade relations, the ministry said.

Reagan to postpone Brazilian sanctions

By Nancy Dunne in Washington

THE REAGAN Administration is preparing to postpone its retaliation against Brazil for import restrictions on US computer software, officials said. A White House announcement is expected shortly.

President Reagan announced his intention to impose sanctions on the Brazilians last November, and a list of proposed targets, ranging from footwear to aircraft, was published in December.

Nancy Dunne on legislation exposed to the risk of being 'veto bait' on Capitol Hill

US trade bill under detailed scrutiny

THE GRAND gold and white House Ways and Means Committee room was so overflowing one afternoon recently that many lobbyists, their briefcases bulging, had to queue up outside in the hope of eventually getting seats.



Dan Rostenkowski, setting hearings in train

more than 100 members. The Congressman, using trade as the focus of his election, has struck a populist chord among American blue collar workers who believe the US is being victimised by foreign trade barriers.

are taking up measures also considered veto bait. The administration is adamantly against a provision which would require 60 days notice be given to employees before plant closings or lay-offs. Hearings have been scheduled for March 24 on another provision which would force foreign investors to make financial disclosure, but it is widely believed that the measure will be killed.

Japan seeks to allay US fears on supply of chips

BY STEFAN WAGSTYL IN TOKYO

JAPAN yesterday tried to allay American fears that US electronics companies might be started of a new Japanese-built memory chip which is in short supply worldwide.

The company and government officials were reacting to reports from the US that American computer and electronics companies were seeking US and Japanese government intervention to assure future chip supplies.

US Eximbank may drop export fund 'warchest'

BY NANCY DUNNE

MR JOHN BOHN Jr, chairman of the US Export-Import Bank, said yesterday that the agency was preparing to abandon the \$210m "warchest" it has used to remain competitive with nations which tied their foreign aid funding to export financing.

China-Taiwan trade via Hong Kong rises 58%

INDIRECT TRADE between China and Taiwan through Hong Kong totalled HK\$11.8bn (£862m) last year, up 58.7 per cent from HK\$7.5bn in 1986, according to Hong Kong government figures, AP-DJ reports from Hong Kong.

Taiwan sold HK\$9.6bn worth of goods to China through the colony in 1987, up 51.2 per cent from the previous year, data from the colony's Bureau of Census and Statistics showed. Textiles represented 46.6 per cent of Taiwan's exports to China, machinery 10.7 per cent and electrical appliances 6.7 per cent.

China's exports to Taiwan through Hong Kong totalled HK\$2.3bn last year, up 101 per cent from 1986. According to China's People's Daily, 38 per cent of Chinese exports to the island last year were textiles, feathers and other animal by-products.

US to monitor foreign share of telecom market

THE FEDERAL Communications Commission (FCC) US regulatory body, said yesterday it would require US and foreign companies to detail equipment purchases to determine what share of the American telecommunications market is controlled by foreign firms, Renter reports from Washington.

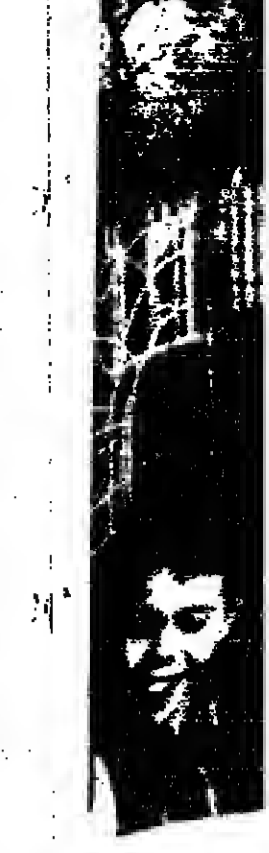
Cable and Wireless of Britain and PTC Communications, which is partly owned by French interests, are among companies which will be affected by the requirement, FCC officials said.

Peugeot-Suzuki link

Peugeot of France has signed a distribution deal with Suzuki, the Japanese carmaker, to expand its sales in Japan, Stefan Wagstyl reports from Tokyo.

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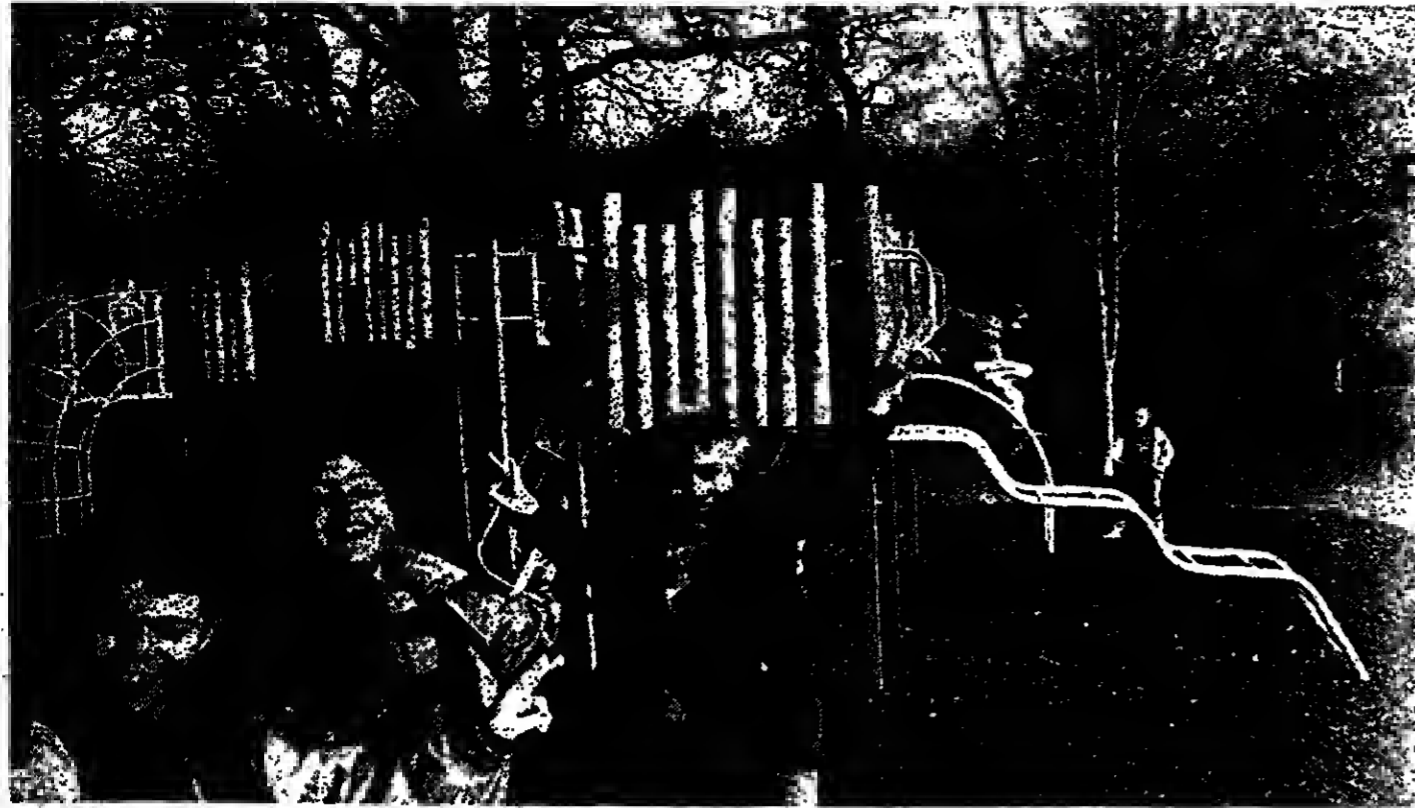
Colombia drug investigator in hiding

By Sofia Kandel in Bogota

THE HEAD of the Colombia's narcotics division in the Attorney General's office, Francisco Bernal Castiblanco, has been forced into hiding by death threats.



صكرا من الامل



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GOVERNMENT'S POLICY ON PRIVATISATION FOR GENERATING BOARD OUTLINED

Electricity strategy gets Tory approval

BY MAX WILKINSON AND PETER RIDDELL

MR CECIL PARKINSON, the Energy Secretary, yesterday won the approval of Conservative members of parliament for his plan to break up the Central Electricity Generating Board into three parts as part of his privatisation strategy. He presented a long-anticipated White Paper (policy document) which outlined his proposal to sell the present 12 area boards as regional distribution companies, with the establishment of two competing generating companies in England and Wales. His plan shows that the CEGB's strong plea to be allowed to keep control of the national transmission grid has been ignored. The CEGB will not even be allowed a seat on the board of the new grid company which will be owned jointly by the 12 distribution companies. The CEGB will also lose 30 per cent of its power plant which will form a new competing generating company. A separate announcement, expected shortly, will set out plans for selling off the South of Scotland Electricity Board and the North of Scotland Hydro-electric Board as separate companies. Perhaps the White Paper's harshest blow is the proposal which shifts obligation to keep the lights burning from the CEGB to the 12 distribution companies. This will transfer the major part of the industry's strategic planning to the distribution side of the industry. Mr Parkinson says in his introduction to the White Paper that his aim is to ensure that "decisions about the supply of electricity should be driven by the needs of customers." The CEGB will be allowed to keep all its present nuclear power stations. Its future nuclear programmes may be safeguarded by a general obligation laid upon the distribution companies to buy a certain proportion of their power from plant which does not use oil, gas or coal. However, the exact

proportion of this non-hydro-carbon electricity and the terms for its purchase are yet to be agreed. The White Paper has caused deep dismay in the CEGB, but is broadly welcomed by the area boards and the Electricity Council set up to co-ordinate the whole industry. Lord Marshall, chairman of the CEGB said yesterday: "In our opinion it is unlikely to be in the best interests of the electricity consumer." He said the proposals "ignored the CEGB's record of 30 years' successful professional service in good times and bad." However, Sir Philip Jones,

Chairman of the Electricity Council broadly welcomed the scheme, even though Mr Parkinson has rejected his idea of subordinating the 12 area boards to a joint holding company. In the House of Commons, Mr Parkinson's announcement was welcomed by Tory MPs, but strongly attacked by the Labour opposition for damaging the interests of consumers and of the coal industry. Mr John Prescott, Labour's energy spokesman, said the proposals had nothing to do with competition and would put the electricity industry back 50 years. Editorial comment, page 18

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Minister outlines short-term health cash measures

By Peter Riddell, Political Editor

NEW MEASURES to help health authorities generate more income for use in patient care were outlined last night by Mr John Moore, the Social Services Secretary, as part of a short-term plan for the National Health Service. In a wide-ranging speech at the Manchester Business School, Mr Moore said the long-term strategy coming from the current fundamental review of the NHS had to be coupled with a short-term plan to secure maximum value for money. In particular, Mr Moore gave details of a new income generation unit within his department. He said arrangements were in hand for a central value for money unit. The income generation unit, under Mr Ron Kerr, a seconded health authority manager, will encourage various initiatives. These will include the widespread development of retail outlets and the provision of conference and catering facilities. They would also encourage the sale of advertising space, the improvement of car parking facilities in hospitals, and a series of speeches by National Health Service technological know-how. Health authorities are being given powers to generate additional income under a bill now going through the House of Commons. This is expected to raise about \$20m in the coming financial year, rising to some \$70m annually in three years. Mr Moore said that next month the government would be publishing, for the first time, a summary of its indicators of health service performance. These would be used "vigorously" in this year's round of reviews with regional authorities, due to start this May. His speech came as the opposition Labour Party intensified its attack over the NHS. Mr Neil Kinnock, the party leader, said the current review represented a deliberate strategy to create a two-tier system. A series of speeches by other Labour spokesmen is planned for this weekend. In Manchester, Mr Moore also referred to various local cost improvement moves such as competitive tendering for portering, security and maintenance. But he said there was no central initiative to extend the range of services subject to mandatory tender action. The programme to reduce its number of major stores should generate savings of at least \$20m within two years, while sales of surplus land and buildings had risen from \$10m in 1979 to over \$200m this year. Mr Moore also backed suggestions by doctors that they should themselves manage their own budgets as a result of greater provisions of information on output and costs. Changes promised for health service funds, Page 8 Unit created to help raise health funds, Page 8

Storehouse appoints Guinness director as chief executive

BY MAGGIE URRY

STOREHOUSE, the retail group which combines Habitat, BHS and Mothercare, has appointed Mr Michael Julien as chief executive and chairman-designate. The announcement ends speculation about the job and the company following the departure of Mr Denis Cassidy, then deputy chairman, last September. The failed takeover bid for the group from Benlon, a far smaller company, and predictions by stockbrokers of a fall in Storehouse profits in the current year. Sir Terence Conran, Storehouse chairman, denied reports that others, notably Mr Alan Smith of Marks and Spencer, had been offered the job. He said: "Mr Julien is my first choice and the only person we offered a job to."



Michael Julien (left) and Sir Terence Conran: first choice

Sir Julien, aged 49, comes from Guinness, the drinks group, where he has been managing director in charge of finance and administration since last March. He has held many executive positions, although none with direct experience in retailing. He was for five years a non-executive director of Littlewoods, the privately-owned retail group. The news was greeted by an

Sp rise in the share price to 242p. Some City of London analysts were sceptical about the appointment, saying "he's not a retailer" and wondering how long he would stay with Storehouse. They suggested that there might be another takeover bid. However, Mr John Richards of Wood Mackenzie, said: "Storehouse needs someone to put the whole thing together. He is a big organisation man and should knock Storehouse into some semblance of order."

Director at TV-am quits after Saudi row

BY RAYMOND SNOODY

THE BOARD of TV-am, the commercial breakfast station, last night accepted the resignation of Mr Jonathan Aitken, the Conservative MP, as a director, after the affair of the undisclosed Saudi stake in the company.

At the same time Mr Timothy Aitken, a grandson of Lord Beaverbrook, stood down as chairman but will remain a non-executive director. Mr Timothy Aitken will be replaced as acting chairman by Mr Ian Irvine, managing director of Octopus Books who is at the moment a non-executive director of the company. Last night Mr Irvine and Mr Bruce Gray, managing director of TV-am, had a meeting with Mr John Whitney, director of the Independent Broadcasting Authority, to tell the authority about the outcome of the board meeting. It is believed that Mr Whitney was informed that a sale of Beaverbrook Investments, a company which had a 14.9 per cent stake in TV-am but which since last summer has been controlled by members of the Saudi Royal Family, was imminent and would probably be completed sometime next week. At the board meeting, Mr Jonathan Aitken immediately tendered his resignation and this was accepted. The Conservative MP has already admitted that the "confidentially requirements" of his clients were given too high a priority over the "candour" that should have been offered to the board. It is believed that a larger portion of the meeting was taken up with the issue of the chairmanship of Mr Timothy Aitken, who took over as chief executive in 1983, the company's first year on air when it came close to collapse. Both Mr Jonathan Aitken and his cousin Timothy were directors of Beaverbrook Investments. The board may have taken the view that there was an element of joint responsibility in the fact that although there was disclosure of a non-EEC investor, the IBA did not know the identity of that investor. A statement from TV-am last night said that Mr Timothy Aitken had decided to stand down as chairman because of his directorship of Beaverbrook Investments, although he retains a seat on the board as a non-executive director.

Inner city revival to emphasise involvement of public sector

BY RALPH ATKINS

GOVERNMENT PLANS for reviving inner cities, expected to be announced in the next two weeks, will emphasise private sector initiatives. The programme will stress the need for an increased role for private sector money and entrepreneurship in depressed areas, but is expected to include additional government schemes. It will list projects around the country receiving government backing in conjunction with private finance. Details will probably be unveiled on March 7 by Mrs Margaret Thatcher, Prime Minister, and Mr Kenneth Clarke, who was appointed minister for inner cities last December. Since the general election last year, Mrs Thatcher has made inner-city policy a priority.

However, the proposals are unlikely to take the form of a policy document and this could encourage criticism that they are lightweight. Opponents are also likely to question how committed the private sector will be to increasing investment in inner cities when there is little prospect of short-term returns. Private sector schemes that will be brought together in the programme include: "Adopt a work shop" schemes, linking established companies with small and young businesses. "Extending secondment of teachers into industry, including plans for seconding school and college governors. "Expansion of schemes linking companies with inner-city

schools and job creation in high unemployment areas. "Backing for inner-city sports and arts activities. The document will give a greater role to local enterprise organisations such as the London Enterprise Agency, which encourages inner-city projects involving the private sector. The programme, thought to be titled Action for Cities, combines schemes from the Home Office and the Departments of Trade and Industry, Employment, Education and Environment. It will be the first significant statement of government policy on inner cities since Mr Clarke took on his role of co-ordinating departments and presentation. The launch is being arranged by the Cabinet Office.

Long-awaited return on 1949 losses

BY CLARE PEARSON

What price the Shanghai Racing Club? This, along with other thorny questions, will face the Foreign Compensation Commission, a statutory body, as it evaluates claims for compensation on losses sustained in the 1949 Chinese revolution. National newspapers on Sunday and Monday next week are to carry advertisements inviting British companies and investors to submit claims for losses on property and on bonds issued before the revolution. Bond claims must be in by the end of June, but other claimants will have an extra two months. Hopefuls can expect to get back only a small proportion of their losses since the British Government will have just \$20m at its disposal, following a mutual waiver of claims between the two countries signed last June. Half of this amount has already been paid by China. Mr Tim Eggar, a junior Foreign Office minister, said yesterday he expected claimants to recover about 5p in the pound. But this was just a "guesstimate" since it is not known how many replies will be made, and also because property losses are likely to prove difficult to assess. Property losses already registered, include bathing machines, wedding presents and a chocolate factory, as well as the Shanghai Racing Club.

The final payout in a similar offer for the recovery of pre-revolutionary Russian debt should comfortably reach 50 per cent, Mr Eggar said. This means it has proved much more rewarding than originally expected after the UK and the Soviet Union signed mutual waivers in 1970. But replies to the Russian offer turned out to be much lower than anticipated. This was probably because in the lapse of time since the 1917 revolution property claims had been forgotten or bonds lost - while memories of Chinese losses will be fresher. There were about \$61m worth of Chinese bonds issued in sterling, though UK investors may also have

been holders of foreign currency issues. The value of property losses, on the basis of the claimants' own valuations, came out at \$184m when claims were registered six years ago. Last June's mutual waiver agreement provided for a payment of \$2.33m by Britain to China, mainly relating to confiscations during the Korean war, and \$23.5m from Peking to Britain. This meant Britain recovered about 6 per cent of its claim, and China about 2 per cent. The agreement cleared the way for a path-breaking bond issue for China last September in the London-based Eurobond market, from which it had previously been barred.

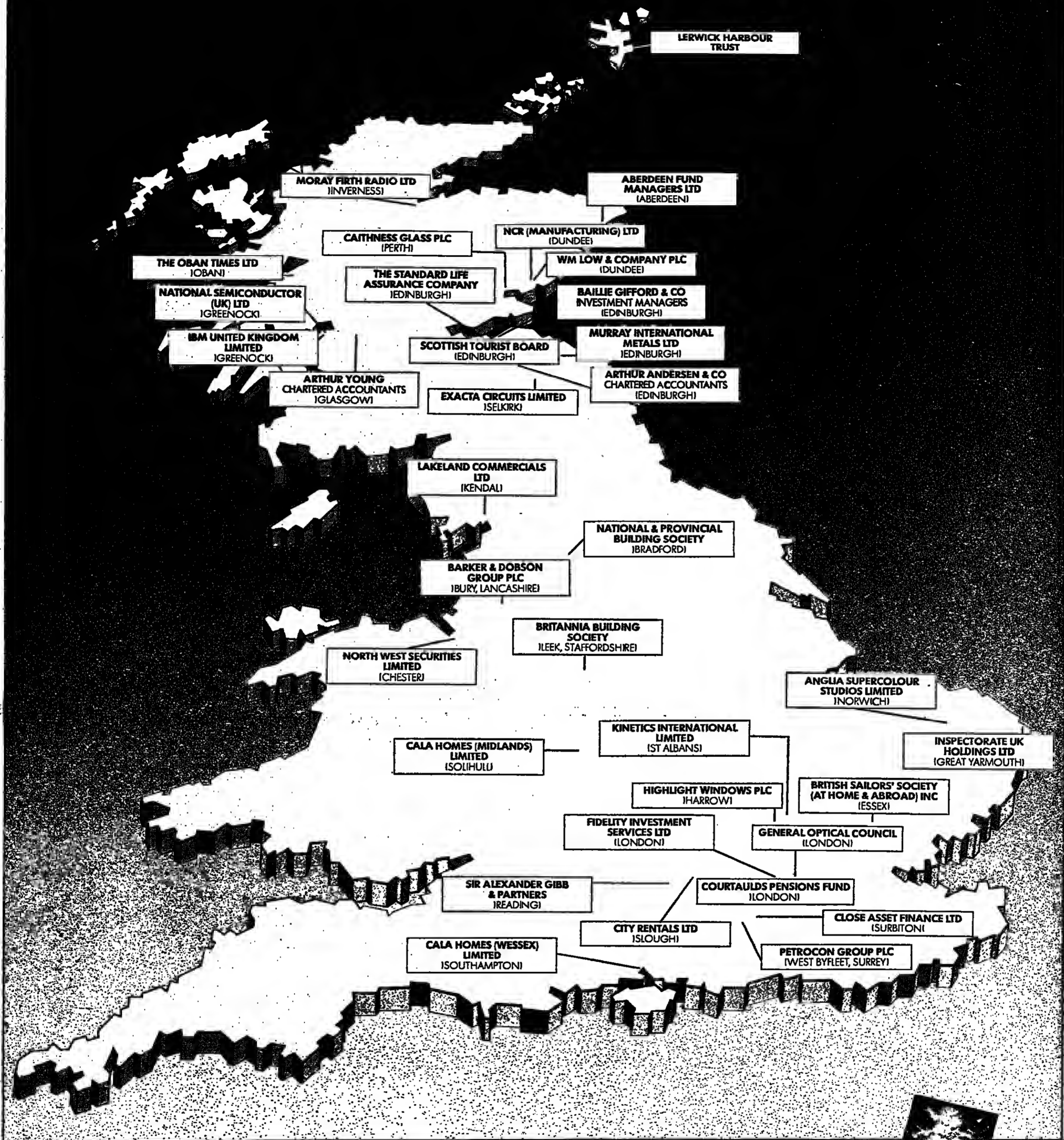
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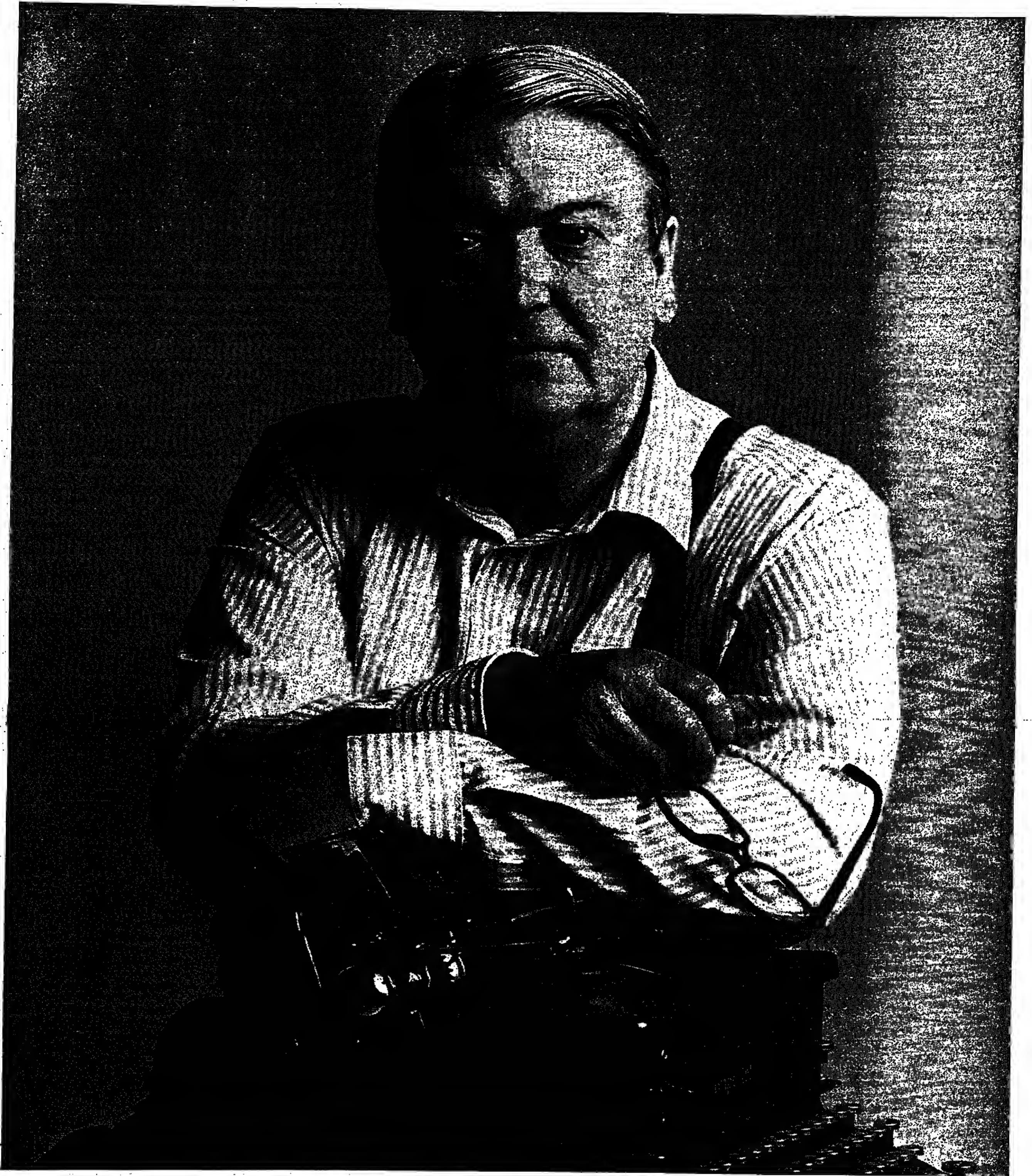
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on him.) It's just easier to label him 'cynic' or worse, than admit he's right.

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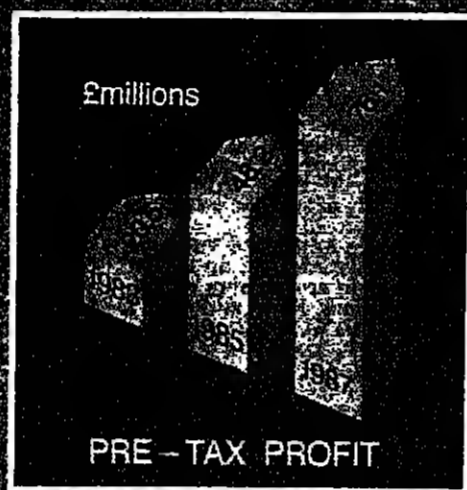
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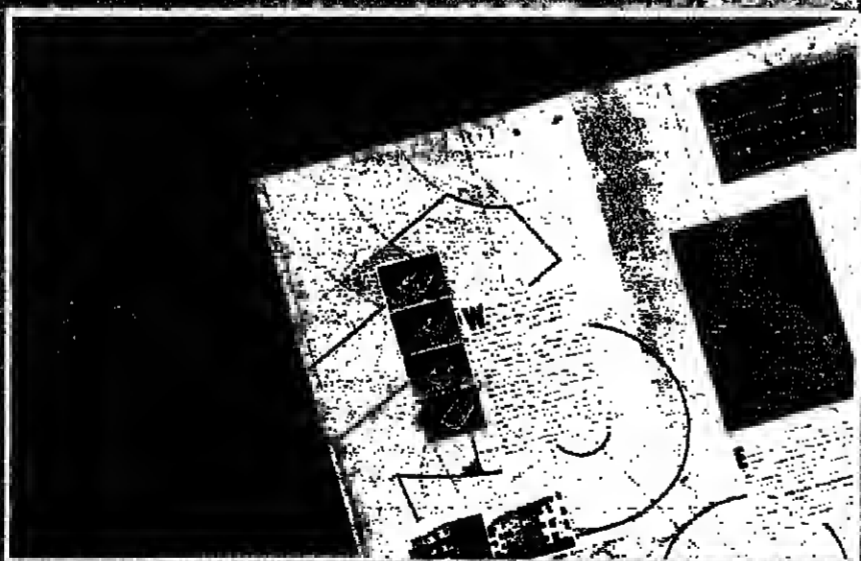
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Around Emhart Corporation, we talk about the new line of business we've gone into recently as our third leg.

Which is one leg more than we had a year ago. Better footing for a loftier ambition.

Our new business is Information and Electronic Systems. And when you think about it, adding this leg to Emhart was a lofty feat, itself.

You see, Emhart was going along as a stable, successful manufacturing company, doing nearly \$2 billion a year in sales. But not especially glamorous.

Well, by plunging into the high-tech world of information and electronic systems, we transformed Emhart into a very different company. One with prospects for much quicker growth. And higher profitability.

THE NEW LEGWORK

Our first high technology acquisition was a Virginia-based company, Planning Research Corporation, which provides computer services for both private business and government.

Then, earlier this year we announced the acquisition of a second computer-based operation, Advanced Technology, Inc. The customers of this second high-tech company include everybody from the Department of Defense to the Social Security Administration.

Together, these two vigorous, entrepreneurial companies have about



\$700 million in revenues.

MORE OF THE SAME

Meantime, we have divested some of our old companies, streamlining our original two businesses to the point where they will do a lot better, too.

One is industrial products, where we manufacture everything from bottle-making machinery to electronic components.

The other is a lot of consumer products, from Pop™ rivets and Molly™ bolts to our True Temper™ line of lawn, garden tools, and golf shafts.

These two venerable Emhart busi-

nesses continue to furnish us with a very nice cash flow, thank you.

Which (among other things) will give us the wherewithal to continue expanding our new high-tech leg.

THE NEW EMHART SIGNS IN

Since we're altering so much else at Emhart, it seemed only fitting to change our corporate signature, too.

So at the bottom of this page you will see the spirited new signature, or logo, we've adopted.

Notice that it leans forward ever so slightly, as if it's just a little impatient to get on to other, bigger things.

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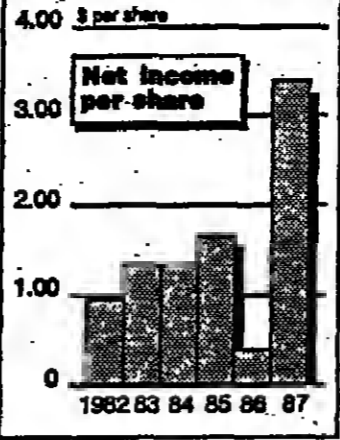
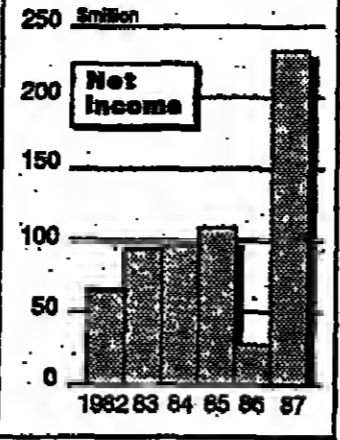
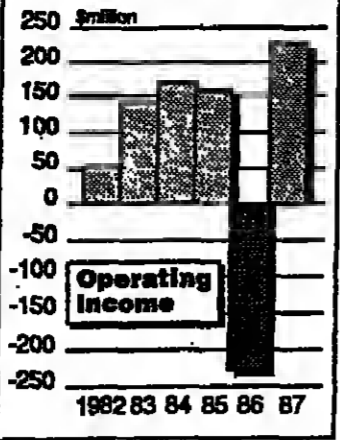
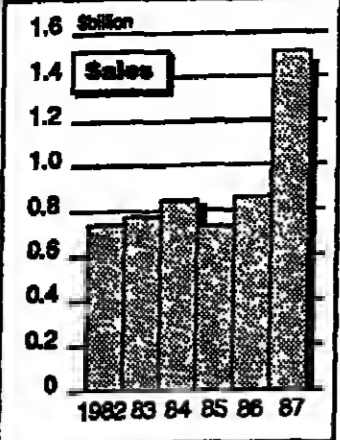
Taking matters into their own hands

Michael Skapinker outlines a proposed code

WHAT HAS happened to the debate on the training and development of British managers? Two reports on the subject last year - one by Charles Handy and the other by John Constable and Roger McCormick - provoked a brief storm of discussion and recrimination when they conclusively demonstrated that UK managers were among the worst educated in the developed world.



James R. Moffett



Milton H. Ward

A counter-attack on raiders

Kenneth Gooding explains why US resources group, Freeport McMoRan, embarked on an aggressive strategy of spin-offs and acquisitions

"GOLDEN PARACHUTES", those contracts which provide a substantial financial cushion for managers of a company bootstrapped out by its new owners after an onwelfare takeover, were abolished by Freeport McMoRan, New Orleans-based natural resources group, shortly after James R. Moffett took over as vice-chairman in 1981.

have a clearer perception of the true value of previously "hidden" assets. Freeport has also, in effect, been giving shareholders back some of their capital. This provided a way of putting cash in shareholders' pockets until commodity prices recovered and the positive impact on earnings and cash flow from acquisitions could be felt.

The company's operations in the Gulf of Mexico were successful but were consuming cash at a great rate so in 1981 Moffett helped put together one of the largest friendly corporate mergers in the history of Wall Street by merging McMoRan with Freeport Minerals Corporation - which at that time was cash rich.

profitable expansion of existing operations, cost-cutting programmes, selling properties or businesses which did not meet profit targets and acquisitions of long-life energy reserves with low production costs.

stone by having some operations spun off and traded separately from the parent group. First Freeport McMoRan Energy Partners, incorporating all its US oil and gas assets, was set up and 11 per cent of it sold to the public, netting \$125m.

Respect and trepidation

He reckons that following the restructuring of the past few years, "no raider would be able to get better value for the assets than we have".

Perhaps the most important change in Freeport's corporate strategy was its purchase in March last year of Agric Chemicals from the Williams Companies to create the largest US producer of phosphate fertilisers and the third-largest maker of nitrogen fertilisers.

Benefits of acquisition This "dividing out" of shares will continue until the third quarter of 1990. By that time the benefits of the recent acquisitions should be strongly flowing through.

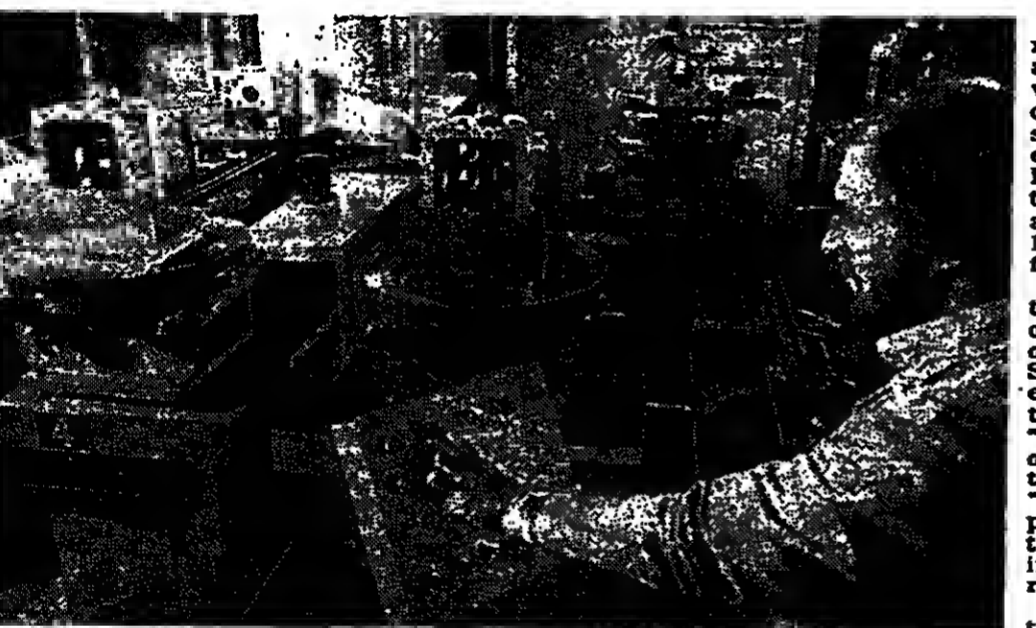
He points out, for example: "The only senior management we kept was at Geothermal

TECHNOLOGY

Nick Garnett examines the fiercely competitive automation equipment industry

KTM fights for a share in the future

THE UK's position is weak, and getting weaker, in the equipment supply industry for automating factories. In most types of hardware, from machine tools to computers, British-owned supply companies have only a tenuous hold in this once-stumbling and now growing industry dominated by US and West German manufacturers.



A KTM FM100 machining centre cell being used in the manufacture of diesel crankcase components at A.H. Cropper's factory at Alton, Hampshire

market for FMS, the report says. Its share of total European sales is expected to move from 32 per cent in 1985 to 35 per cent in 1991. French manufacturing industry will show the highest growth rate in demand, accounting for 20 per cent of the market by that date.

flexible manufacturing systems market in Europe - 1991



It has been one of the pioneers of the step-by-step approach in automation where factories are turned over to flexible production in stages. One of its biggest projects was the supply of nine horizontal machining centres, three-head indexing machines and other equipment for the 16-valve two-litre engine line for the Rover 800.

WORTH WATCHING Edited by Geoffrey Charlish

Still less sulphur in the flue gas TAMPELLA, the Finnish company, is offering a method of removing sulphur from boiler flue gas which, at its best, has a scrubbing (removal) efficiency of 90 per cent.

Jet printer to mark the goods CHARACTERS MORE than 60mm (2in) tall can be printed on packing cases and boxes using a compact ink jet printer from Keith Wood and Co of the UK.

Quicker pulleys for Perkins KRUPP WIDIA, the German machine tool company, has supplied new computer-controlled lathes to Perkins Engines in the UK that have enabled the diesel manufacturer to reduce the machining time for pulley wheels by 93 per cent.

Computer program aids deliveries SCHEDULER, a computer program designed to help traffic managers make the best use of vehicles in a multi-customer retail distribution depot, has been developed by the UK National Freight Consortium's consulting group.

Magnets with more pulling power DYNACAST, a new company set up by Coates Vye, the textile group with turnover of £1.5bn, is to specialise in the design and moulding of

polymer-bonded "supermagnets". Based at Alcester, Warwickshire, the company will injection-mould magnets in complex shapes which, it claims, would be impossible with conventional metal or ceramic magnetic materials.

Toshiba prepares for new TV era TOSHIBA OF JAPAN, in readiness for the new era of high definition television (HDTV) that is perhaps only a decade or two away, has developed an image sensor for the improved cameras that will be needed.

contacts: Dynamag UK, 0783 400000; Tampella Finland, 21 22400; Krupp Widia UK office, 0484 41048; Perkins Tokyo, 457 2104; Keith Wood and Co, UK, 0284 781008; National Freight Consortium, UK, 0254 27222.

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Exhibitions LONDON

Tate Gallery, Douglas Cooper - The Masters of Cubism. A small but choice selection of 81 works...

Tate Gallery, David Bomberg - A retrospective of one of the most distinguished British painters of the century...

Paris Grand Palais, Zuberbarren. From New York, an exhibition of 72 paintings...

NEW YORK

Metropolitan Museum of Art. Every phase of Rembrandt's art is included in this, the first comprehensive exhibition...

Paris Petit Palais (Centre Georges Pompidou). Winterhalter and European Courts from 1830-1870. A retrospective of the many aspects of the vast number of watercolours...

Spain Merced (Sala de Exposiciones). The Romantic Tradition in Contemporary British Painting...

19th century through Nash, Southey, Keats, Byron, Shelley, Keats, Byron, Shelley, Keats...

SWITZERLAND

Geneva. Alberto Giacometti drawings and rare prints. Galerie Jacques Bonard...

Washington National Gallery. The human figure in early Greek art is the subject of 67 sculptures and painted pottery...

Tokyo National Museum, Ueno. Preliminary Paintings for Edo Castle. Recently discovered watercolours and working drawings...

Music LONDON
Royal Opera (Covent Garden). Margaret Price, a British soprano...

PARIS

Paris Opéra. Opera de Serge Lifar by the stars and pupils of the Paris Opéra Ballet...

Washington National Gallery. The human figure in early Greek art is the subject of 67 sculptures and painted pottery...

Tokyo National Museum, Ueno. Preliminary Paintings for Edo Castle. Recently discovered watercolours and working drawings...

Tokyo Le Jeune Ballet de France (Yubin Chokin Hall). This youthful company's repertoire ranges from the classics to the musical A Chorus Line...

WEST GERMANY

Berlin. Deutsche Oper. Der Liebestrank. Johann Wolfgang von Goethe's production has Luciano Pavrović in the title role...

Milano. Teatro alla Scala. Francesco Cilea's Adriana Lecouvreur conducted by Giuseppe Patrone...

Amsterdam. Muziektheater. The Netherlands Opera in Salomé by Richard Strauss, directed and conducted by Gustav Kuhn...

Amsterdam. Muziektheater. The Netherlands Opera in Salomé by Richard Strauss, directed and conducted by Gustav Kuhn...

NETHERLANDS

Amsterdam. Muziektheater. The Netherlands Opera in Salomé by Richard Strauss, directed and conducted by Gustav Kuhn...

Tokyo A Structure named Desire (Imperial Theatre). This could prove to be the theatre event of the year...

Washington Mall (Eisenhower). A Broadway-bound musical delivers the post-war American dream and comes to life for a new teacher after his escape to the mountains of Vermont...

Chicago Landscape of the Body (Goodman). Continued on Page 17

CHICAGO

Chicago Landscape of the Body (Goodman). Continued on Page 17

Washington Washington Opera (Kennedy Center Opera House). Frederica von Stade in the title role in Cendrillon...

WASHINGTON

Washington Washington Opera (Kennedy Center Opera House). Frederica von Stade in the title role in Cendrillon...

Tokyo A Structure named Desire (Imperial Theatre). This could prove to be the theatre event of the year...

Washington Mall (Eisenhower). A Broadway-bound musical delivers the post-war American dream and comes to life for a new teacher after his escape to the mountains of Vermont...

DKB ECONOMIC REPORT
February 1988: Vol. 17, No. 2
Healthy domestic demand continues to prop up Japanese economy
According to the recently announced national income statistics, the real GNP expanded by 2.0% (or 8.4% on an annual basis) over the previous period...

IRAN AIR
As an international business traveller your demands are understandably high. Comfortable, frequent and reliable flights are all essential ingredients for your success. IRAN AIR provides an international flight network offering frequent services from all major European cities to destinations in the Middle East and Asia.

Complimentary copies of the Financial Times are now available to clients of the following bars in Paris: Le Diable des Lombards, Pub Winston Churchill, Ivan's Bar. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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Talk it over with DKB. The international bank that listens. We have your interests at heart. DAI-ICHI KANGYO BANK

Politics Today

An ardent supporter of the bomb

By Joe Rogaly

PRESIDENT Ronald Reagan and Mrs Margaret Thatcher may have set the agenda for most of the world's debates on economic policy, but it is Mr Mikhail Gorbachev who seems to have set the agenda on defence.

Geoffrey rubbed it in by pointing out that Mr Gorbachev had "clearly acknowledged" that the British and French weapons would be "modernised".

hard to credit that anyone could believe in such a thing - not even President Reagan (who probably does) and Mr Gorbachev (who says he does).

divisions. The increasing respectability of the proposition that a nuclear-free world may be in the interests of the US, since it is not directly threatened by any conventional army, is a manifestation of the trans-Atlantic divide.

to its defeat at the last two general elections, the party could simply promote itself as a believer in disarmament, just like the Russians and the Americans.

Lombard

The mirage of social insurance

By Michael Prowse

THE TIME to bow out is when you are doing well. On this criterion, the Government ought to consider winding up the National Insurance Fund.

Letters to the Editor

Lord Cockfield's VAT proposals

You were correct in stating that lack of uniformity in these indirect taxes would not distort competition among producers.

cross frontiers in order to shop where taxes are lowest. As a method of dealing with this problem, the proposals of the Institute of Fiscal Studies deserve further study.

investment and news print to highly preferential rates. UK publishers have had to face a 25 per cent increase in the price of their basic raw material, printing paper, in the past 18 months.

The comparison is between Hyundai and outside lines' services

From Mr Alan Bott. Sir, You report that European exporters support Hyundai in the freight rate dumping case (February 5). It is not difficult to make a plausible case against a plaintiff - in this case the EC shipping industry - if its arguments are misrepresented. The facts, however, are as follows.

The Community properly supports the principle of competition in shipping as in other industries. However, the Community's long term interests clearly require a healthy commercial maritime fleet.

merchant marine against price dumping by shipowners outside the Community. To make the point that the Russians, as members of the Conference, will benefit from any judgement given, scarcely invalidates the justice of the case for the slight Community lines involved.

Stamp duty could be paid by the vendor rather than the purchaser

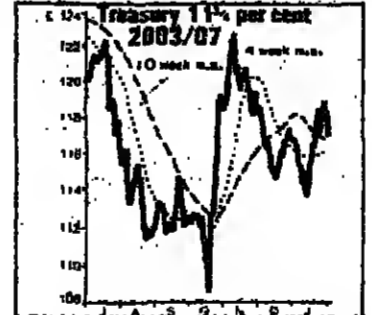
From Mr Alan Parker. The prime beneficiary of this would be the first-time buyer, who would be relieved of a heavy additional cost at the moment when it can be least afforded (Letters, February 24).

a selling price which might reflect a large profit element in effect, the tax would become a small charge on capital gains.

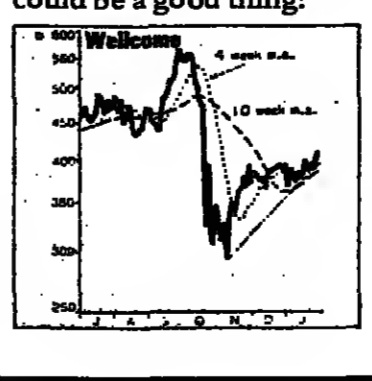
Mr Hugh Corbett's phrase, referring to distortions of competition in both domestic markets and international trade (Letters, February 22), should have read: "government intervention in the market process, not 'government intervention in international markets."

WHEN EVERYONE ELSE IS TAKING A BATH COULD YOU CLEAN UP?

Funny thing the crash. Most people got hurt. But not everyone. Surprisingly there were quite a few people who came out smiling. Not very broadly, perhaps - but they did make money. They still are.



If you know where to look, there are still major opportunities to prosper. On some fronts things are beginning to calm down. Less excitement perhaps, but that could be a good thing!



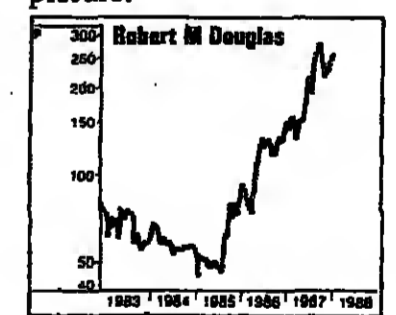
Look at traded options: make money when share prices fall. And there have been several takeover bids since the crash, some of them big ones. Takeovers can provide major opportunities for profit.



Even if you're not going to risk a slice of your capital just yet, there's always the need to be well-informed. Without the right information how on earth are you going to time your comeback right?

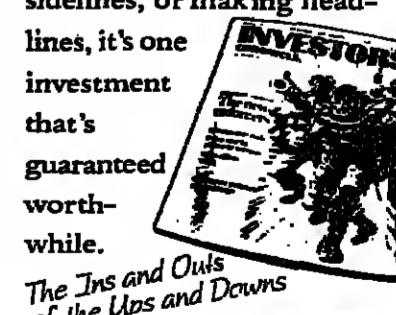
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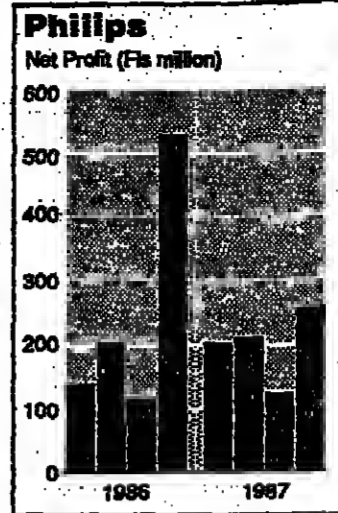


The Ins and Outs of the Ups and Downs INVESTORS CHRONICLE

INTL. COMPANIES AND FINANCE

Laura Raun and David Thomas on the Dutch group's policy choices

Philips earnings blow a fuse



Philips sees the US as a crucial market that must be fully exploited if it is to succeed as a global company...

THE REVELATION yesterday of a 19 per cent drop in Philips's profits for 1987 capped what has, by any standards, been a sombre year for the Dutch electronics group.

The collapse of talks were blamed by the group on a declining dollar

Mr Cor van der Klugt, president, has fashioned a strategy based on a clear division between the group's core businesses - consumer electronics, information technology, electronic components and lighting...

Marketing while Philips is noted for the technical excellence of many of its consumer products, doubts linger about the speed with which goods get to the market...

By the end of 1988 Philips will want to show it has got on top of problems

Philips sees the US as a crucial market that must be fully exploited if it is to succeed as a global company...

New Issue February 26, 1988

This advertisement appears as a matter of record only.

Privatbanken A/S Copenhagen, Kingdom of Denmark



DM 150,000,000 5 1/4% Subordinated Bonds of 1988/1993

Offering Price: 100 1/4% Interest: 5 1/4% p. a., payable annually on February 26...

Table listing various banks and financial institutions including Deutsche Bank, Berliner Handels- und Frankfurter Bank, Bayerische Vereinsbank, etc.

TNT Limited

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TNT Express (Germany) GmbH

has completed the employment of three BAe 146 ("Quiet Trader") aircrafts for its European Overnight Air Express Service.

WestLB Düsseldorf has assisted TNT in structuring the transaction and financed.

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February 1988

Branches: London New York Tokyo Hong Kong Subsidiaries: WestLB International S.A., Luxembourg Banque Franco-Allemande S.A., Paris...

ENI and Montedison to resume talks

BY JOHN WYLES IN ROME

ENI, THE Italian state energy company, and Montedison, the country's leading private sector chemicals producer, are to make another attempt to link their basic chemicals activities.

both financial and management control of the joint venture is shared equally, it is possible that minority stakes may be offered to other parties...

Mannesmann profits hit by sharp rise in D-Mark

BY ANDREW FISHER IN FRANKFURT

MANNESMANN, the West German steel pipes and engineering group, made a reduced profit for 1987 as a result of the sharp rise in the D-Mark and a weakening capital goods market.

GRANVILLE SPONSORED SECURITIES

Table with columns: High, Low, Dividend, Coupon, Price, Change, etc. listing various securities.

UBS income slips 3%

BY JOHN WICKS IN ZURICH

UNION BANK of Switzerland's net profit dipped by 3 per cent to SF752.8m (\$641.6m) for 1987, a performance the bank said was satisfactory in view of the difficult conditions characterising the business environment.

Notice of Redemption Honeywell International Finance N.V. U.S. \$100,000,000

10 1/4 per cent. Guaranteed Debentures 1990 NOTICE IS HEREBY GIVEN that in accordance with Condition 7(B) of the outstanding Debentures...

Notice of Redemption U.S. \$460,000,000 Azienda Autonoma delle Ferrovie dello Stato Floating Rate Notes due 1995

Morgan Grenfell Group plc U.S. \$200,000,000 Undated Primary Capital Floating Rate Notes

3i Investors In Industry International B.V. \$125,000,000 Guaranteed Floating Rate Notes 1994

Dutch bank to raise payout NEDERLANDSCHE Middenstandsbank, the smallest of the big Dutch commercial banks, has reported improved profits for 1987...

IRELAND US\$300,000,000 Floating Rate Notes due 1997

Rotterdam The Financial Times proposes to publish this survey on: 29th March 1988

Handwritten Arabic text at the bottom of the page.

UK COMPANY NEWS

Hepworth set for victory in Henderson fight

BY MICHAEL SMITH

Hepworth Ceramic, building materials and heating group, was last night heading for victory in its two-cornered battle to win control of Henderson Group, after it raised its cash offer for the company to \$84.6m.

Newman Tonks, door controls and building supplies company, said it was leaving its \$78.5m cash and shares bid for Henderson on the table. However, that offer is final and its only hope of winning is if its shares rise dramatically in value in the near future.

Saga reaps benefits as profits recover to £2m

BY DOMINIQUE JACKSON

Saga Holidays posted pre-tax profits of £2.2m for the year to end-October, a recovery from previous years when the Chernobyl nuclear disaster and terrorism fears sent profits down to £278,000 from a record £4.1m in 1984/85.

A \$2m (£1.14m) investment in advertising more than doubled Saga's US mailing list to over 1m names.

Comment

Saga's figures reassured that the holiday group was back on course after last year's fright. Saga's imminent corporate metamorphosis into a holding company with subsidiaries for each activity will enable it to utilise fully its prize asset - the comprehensive data-base on millions of pensioners' households in the UK and US.

Leisure Inv acquisition

BY FIONA THOMPSON

Leisure Investments, amusement centre and snooker club operator, yesterday announced a £6.66m acquisition and a rights issue together with a 29 per cent expansion in interim profits.

reported profit before tax and exceptional items of £381,000 and net assets of approximately £1.25m. The gaming licence from the Gibraltar government, to be reissued on completion of the purchase, has an initial term of 10 years from January 1 1987, and specifies the levy on gaming revenue - one of the lowest in Europe, according to Mr Stephen Forsyth, chairman.

Kingsgrange US setback

OVER 20 per cent was wiped off the share price of Kingsgrange yesterday, after the toiletries manufacturer reported that problems on a US contract would knock \$425,000 from current year pre-tax profits.

with a change in management of the US subsidiary. As a result, the goods had to be sourced on the UK.

AAH attacks UniChem's share incentive scheme

BY PHILIP COGGAN

AAH, the distribution group, yesterday launched a fierce attack on UniChem's controversial incentive scheme for retail chemists, alleging that it was in breach of several statutes.



Peter Dodd, chief executive of UniChem.

But UniChem, an industrial and provident society, defended the scheme, under which pharmacists will be entitled to buy shares at a discount when the company is floated on the stock market, an event currently planned for 1990.

Office of Fair Trading was slightly more forthcoming, confirming that it had received AAH's submission and would be making preliminary enquiries.

Mr Peter Dodd, UniChem's chief executive, was in confident mood yesterday, dismissing AAH's objections. "Our earlier Unibond scheme was examined by the OFT, which expressed certain reservations," he said. "We took full account of those reservations in the current scheme. We also discussed the details of the scheme with the DTI before we instituted it."

Mr Dodd was also dismissive of the MacCarthy bid. Mr Nicholas Ward, MacCarthy's chairman, speaking at the Annual General Meeting yesterday, said that he hoped it would be possible to resume amicable discussions with the board of UniChem.

AAH has submitted complaints about the UniChem scheme to the Department of Trade and Industry and to the Director General of Fair Trading. The DTI said yesterday that it did not discuss individual cases but would normally look into such complaints; the

London Forfeiting down 5p on offer price

By Philip Coggan

SHARES IN London Forfeiting, the trade finance group, went to a small discount when dealings opened yesterday. Although they opened at 163p, the shares closed at 158p, 5p below the offer price.

Smith & Nephew Smith & Nephew Associated Companies has acquired Field Group Chemicals, of New South Wales, Australia for A\$3m (\$1.25m). Field manufactures insoluble x-ray contrast media products, Barium meals.

BRADSTOCK GROUP PLC

Insurance and Reinsurance Broking Group

● ANOTHER YEAR OF PROGRESS

RESULTS TO 30 SEPTEMBER 1987

	1987 £'000	1986 £'000	INCREASE ON 1986
● Turnover	13,096	9,940	+32%
● Profit before tax	6,644	5,042	+32%
● Profit after tax	4,258	3,093	+38%
● Earnings per share	17.8p	12.9p	+38%
● Dividend per share	5.0p	3.75p	+33%

EXTRACTS FROM THE CHAIRMAN'S STATEMENT

Turnover and profit before tax both increased by 32%... the direct insurance broking side of our business progressed well, as did the reinsurance broking business... the group is anticipating an increase in turnover...

DAVID F. BRADSTOCK, CHAIRMAN

Copies of the Report and Accounts are available from:
The Secretary, Bradstock Group PLC,
18 London Street, London EC3R 7JP.

CLIFF MICHELMORE INVESTIGATES BRITISH TELECOM'S LATEST FIGURES.

British TELECOM BUSINESS BRIEFING

TV-am, 9.20 am, Sunday 28th February.

You can see British Telecom's latest financial results in the panel on the right.

Turnover, profit and earnings per share have all made progress. But figures can only tell you so much. If you own shares in British Telecom, how is your investment in the company really being managed?

One way to find out is to watch a unique, five-minute television advertisement on Sunday morning. Cliff Michelmore will interview the Chairman of British Telecom, Iain Vallance: they'll be discussing the progress that's been made and the company's plans for the future.

Even if you don't usually turn on your television on a Sunday morning, you may find it well worth while this weekend.

Nine months financial highlights

- Turnover increased by 7.8% to £7,556m.
- Pre-tax profit at £1,694 - an increase of 12.0%.
- Earnings per share up 14.1% to 17.4 pence.
- Capital expenditure over £1,600 million, equivalent to £6 million a day.

Third quarter and nine months results to 31 December 1987

	Third quarter 3 months ended 31 Dec (unaudited)		Cumulative 9 months ended 31 Dec (unaudited)	
	1987 £m	1987 £m	1987 £m	1987 £m
Turnover	2,602	2,305	7,556	7,009
Operating profit	640	578	1,895	1,721
Profit before taxation	574	506	1,694	1,512
Profit attributable to ordinary shareholders	355	306	1,046	916
Earnings per ordinary share	5.9p	5.1p	17.4p	15.3p



* Approximate time. If you would like a copy of the interim results leaflet or if you have any queries as an investor, please call us on this LinkLine number, which enables you to telephone from anywhere in the UK for the price of a local call: LinkLine 0145 010505. For daily information on the British Telecom share price, dial Shareline on: London 01-246 8022 Birmingham 021-246 8056 Edinburgh 031-447 0483 Glasgow 041-246 8080 Liverpool 051-488 0797 Manchester 061-246 8040 Belfast (0281) 8030 Bristol (0272) 215444 Cardiff (0222) 8037 Leeds (0532) 5888 British Telecommunications plc, 61 Newgate Street, London ECA 7AJ, Telephone 01-336 3000.

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Application has been made to the Council of the Stock Exchange for the grant of permission to deal in the United Securities Market in the share capital of the Company, issued and now being issued. It is emphasized that no application has been made for these securities to be admitted to listing.

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Incorporated in England under the Companies Act 1948 to 1981. Registered No. 1778069

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CAPEL-CURE MYERS

of 5,000,000 ordinary shares of 5p each at 100p per share

SHARE CAPITAL
Issued and/or being issued fully paid £1,200,000 in ordinary shares of 5p each

Norfolk House provides an integrated service to major oil companies and related contractors. Its principal activities comprise real estate acquisition, development and construction; petrol forecourt management and retail sales promotion.

Particulars of the Company have been circulated in the Euxel Unlisted Securities Market and copies of such particulars may be obtained from the Company Secretaries, Capel Cure Myers, 65 Holborn Viaduct, London EC1A 7JZ.

A member of the AMZ Group

Norfolk House Group plc
65 Holborn Viaduct, London EC1A 7JZ

26th February 1988

UK COMPANY NEWS

John Griffiths looks at the latest round of restructuring at Lucas A high-technology rebirth

BOB DALE gives an irritated shrug when reminded of two much-publicised recalls of British luxury cars in the US last year for ignition-related problems.

"A lot of people just presumed it was Lucas, Prince of Darkness, at it again. In fact, neither was anything to do with Lucas - and that dreadful old tag is totally out of date. But, yes, I recognise we still have the reputation to live down and we're just going to have to keep working at it."

Mr Dale's comments come not long after writing, in December, to all Lucas' motor industry customers to outline what he clearly sees as the rebirth of Lucas' automotive operations within a vigorous new grouping - and which sceptics might see as merely another shuffling of the Lucas motor components pack.

Lucas Automotive, of which Mr Dale is managing director, has been created to bring together the six companies and what he describes as "40 to 50 business units" which now form the backbone of Lucas' motor components activities, after a string of disposals and plant closures over the past several years, a process which is still going on.

The latest step in it came on Wednesday with the announcement that it was completing its withdrawal from automotive lighting, by selling to Fiat its 40 per cent stake in Fausto Carullo, the Italian lighting group.

Actions such as these, including also the sale of its UK starter motors and alternators business, have prompted speculation that the Lucas Industries parent was contemplating getting out of the automotive industry altogether, as fellow UK industrial group Smiths

Industries had done several years earlier.

The opposite is true, insists Mr Dale - having disposed of its loss-making automotive businesses, it is now intent on attacking the high-technology end of the motor components business.

The new six-division structure is based on the perception that the best opportunities for Lucas lie in the hi-tech components which account for an ever-growing proportion of a vehicle's cost, and which increasingly require suppliers to provide complete systems with a high degree of innovation provided by the component supplier itself.

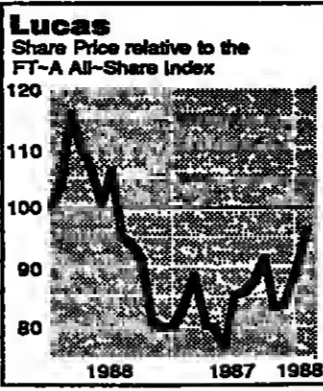
Nor is Lucas Automotive looking to cover all sectors on its own, stresses Mr Dale - it is actively seeking collaboration, with others in the European components sector over a wide front. "This is an era of alliances and partnerships - all manufacturers are looking for long-term systems suppliers".

Yet in some cases, he acknowledges, those alliances are going to be needed to combat vehicle manufacturers themselves; for it is also dawn-ing on car makers that with component producers supplying ever more complex electronics-based systems, their own share of the total value added in complex cars is starting to look discourteously small.

The six divisions of the new Lucas Automotive are:

- Braking, based around the Lucas Girling subsidiary which has plants world-wide and is already heavily involved in developing and making hi-tech products such as anti-skid braking systems.
- Diesel engine systems, also operating world-wide and a major supplier of diesel fuel

"A lot of people just presumed it was Lucas, Prince of Darkness at it again. In fact, neither was anything to do with Lucas - and that dreadful old tag is totally out of date."



injection systems under the Lucas CAV name.

- Gasolene engine systems, where Lucas is anxious to break into the near-monopoly in engine management systems held in Europe by Robert Bosch of West Germany.
- Electrical products, based mainly overseas and producing mainly traditional motor components like batteries, distributors and coils.
- Body systems, which involves cables, harnesses and instrumentation.
- An aftermarket division providing parts and technical support to original equipment customers, also world-wide.

Together, they represent an organisation which turned over £1.2bn last year, had manufacturing plants in 209 countries and licensees and service distributors in 100 others.

The first four are seen as having a heavy responsibility to design and development internationally-competitive systems. And part of Mr Dale's proclaimed confidence that Lucas can be a mainstream competitor is based on the

belief that, in the area of electronics, for example, "Bosch has 85 per cent of the market and are supreme. But there's a whole string of us in the number two slot and manufacturers would be delighted if we could provide an alternative. We've got the technology, so proposing consortia makes a lot of sense."

It is also more than just a nice idea, he insists - "it's being pursued, and I think you're going to see some interesting developments".

The actions already taken over the past year appear to be having their effect.

Automotive group sales of £1.2bn accounted for 65 per cent of Lucas Industries' turnover last year, with pre-tax profits on automotive business rising to £68.2m from a previous £55.8m.

Turnover was virtually unchanged. But this largely reflects the disposal of businesses which, if they had been included, would have contributed a further £100m to turnover.

Nevertheless, Mr Dale

acknowledges that a return of 5 per cent on sales is still not good enough. The priority now, he says, is to reduce capital employed and at the same time increase capital turnover rate.

Further savings are to come. Lucas' Great King Street components plant will close later this year, with 1200 jobs to go - although 400 of these are likely to be redeployed.

And, somewhat belatedly, the automotive side is now tackling the overheads associated with having duplicated financial and other services support staff in the individual companies making up the new divisions. This is about to be addressed, with the possible loss of 400 jobs - although Mr Dale stresses that the details of the restructuring have yet to be worked out.

However, he asserts "the whole purpose of this is not to make economies but to make us fit for the future."

Part of that fitness campaign also involves a more wide-ranging and far-sighted approach to research and development. "We've done a lot of market research to get the feeling of what's going to happen on the automotive side in the 1990s, and see compound growth of up to 19 per cent annually in some areas like electronics."

"So in the corporate structure I shall have someone dedicated to looking ahead at the way technology is changing" and whose responsibility will be to alert the divisions to investigate and act on those changes.

He acknowledges that there is bound to be a certain scepticism about this latest round of restructuring - "everyone says Lucas has had as many reorganisations as hot dinners". The proof, he suggests, will come in next year's profit figures.

This announcement appears as a matter of record only.

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February 1988

ICI in 1987

Another record year.



World Class

Group profit before tax rose by £296m (29%) in 1987 to set a new record of £1,312m. Trading profit increased in almost all business sectors. The key figures with comparisons for 1986 are as follows:

	1987 £ millions	1986 £ millions	Increase
Turnover	£11,123	£10,136	+10%
Profit before taxation	£1,312	£1,016	+29%
Earnings per £1 Ordinary Stock	113.6p	92.0p	+23%
Dividends per £1 Ordinary Stock	41.0p	36.0p	+14%

Sales volume rose by 11%, with 6% from organic growth - notably in Europe, North America and Australia - and 5% attributable to the net effect of acquisitions. Selling price increases in local currencies averaging 2% were offset on translation to sterling by an adverse movement on exchange of 3%, reflecting in part the weaker US dollar. Overall turnover increased by 10% to £11,123m, with the FOB value of UK exports up 10% to £2,488m.

Trading profit in Consumer and Speciality Products increased by £67m to £574m. Within this segment pharmaceuticals profit increased despite absorbing higher marketing and development costs for new products to be launched in 1988 and beyond. The paints business experienced strong demand both in Europe and at Glidden in the United States. Within other effect products, colours and fine chemicals profit advanced strongly, polyurethanes had another excellent year and speciality chemicals and films profit increased again. High development costs in new businesses limited profit growth in the sector overall.

Trading profit in the Industrial Products businesses increased by £137m to £595m with particularly strong performances in the UK, Continental Europe and in Australia. General chemicals and petrochemicals and plastics experienced strong demand and margins were maintained, helped by a tight supply situation for many products and by the stronger Deutschmark. Fibres profit declined but ICI's performance in an increasingly competitive European fibre market was largely supported by its range of added value nylon products.

In the Agriculture segment trading profit of £48m showed a marked recovery from the depressed 1986 level. Profits in agrochemicals and plant breeding recovered substantially in 1987 after the difficult conditions experienced in 1986, as new agrochemical product launches helped increase ICI's share in an otherwise weak market. Development costs and a write down of surplus stocks in the seeds business limited overall growth in profits. Despite cost reductions, fertilizers remained weak against the background of a depressed world fertilizer market.

Net income from related companies increased by £62m to £157m. This reflects a good performance across the range of the Group's interests, and also the inclusion for the first time of ICI's share of the profits of Enterprise Oil plc.

The trading results of the Group for the Year 1987, subject to completion of the audit, together with comparative figures for 1986, are as follows:

	1987 Year £ millions	1986 Year £ millions
Turnover		
United Kingdom	2,732	2,545
Overseas	8,391	7,591
Total	11,123	10,136
Trading Profit	1,297	1,049
After providing for depreciation	464	491
Net income from related companies	157	95
Net interest payable	-142	-128
Profit on ordinary activities before taxation	1,312	1,016
Tax on profit on ordinary activities	-504	-382
Profit on ordinary activities after taxation	808	634
Attributable to minorities	-48	-34
Net profit attributable to parent company	760	600
Extraordinary items	-	-43
Net profit for the financial year	760	557
Dividends	-277	-238
Profit retained for the year	483	319
Earnings before extraordinary items per £1 Ordinary Stock	113.6p	92.0p
Dividends per £1 Ordinary Stock	41.0p	36.0p

The above are abridged results full accounts for the year 1986 with an unqualified audit report have been lodged with the Registrar of Companies.

IMPERIAL CHEMICAL INDUSTRIES PLC

Fourth Quarter

Market conditions in the quarter were little changed and demand remained firm. With the expansion of the Group's interest in paints, agrochemicals and seeds through acquisitions, results are now subject to more pronounced seasonal factors in the latter part of the year. In the event, this year the seasonal trend was offset by non-recurring gains, mainly arising on the sale of assets and businesses, so that pre-tax profit at £308m was £5m below the third quarter but £20m above the fourth quarter of 1986.

The following table summarises the quarterly turnover with external customers and profit before tax:

Quarterly Turnover and Profit	Turnover £ millions	Profit Before Tax £ millions	Earnings per £1 Ordinary Stock pence
1986 1st Quarter	2,514	204	18.3
2nd Quarter	2,516	268	24.8
3rd Quarter	2,413	256	23.7
4th Quarter	2,693	288	25.2
Year	10,136	1,016	92.0
1987 1st Quarter	2,760	334	28.5
2nd Quarter	2,809	357	30.7
3rd Quarter	2,718	313	27.8
4th Quarter	2,836	308	26.6
Year	11,123	1,312	113.6

Taxation

The tax charge for the year was £504m giving an effective tax rate of 38.4% (1986 £382m - 37.6%), and comprised UK corporation tax of £219m (1986 £168m) and £285m (1986 £214m) in respect of overseas subsidiaries and related companies. UK Corporation Tax has been provided at 35% in 1987 (1986 - 36.25%).

Investment and Finance

Cash generated from operations was £1,798m (1986 £1,485m). After deducting higher interest and tax payments, funds available to the business were £1,308m (1986 £1,062m). Applications of funds totalled £1,582m (1986 £1,311m) including £361m for the cash element of the Stauffer agrochemicals acquisition which, after disposals made, cost a total of £486m, including £125m of debt assumed.

Dividend for 1987

The Board has declared a second interim dividend of 25.0 pence per £1 unit of Ordinary Stock, which the Annual General Meeting will be asked to confirm as the final dividend for 1987, payable on 5 April 1988 to members on the Register on 25 February 1988. This, together with the first interim dividend of 16.0 pence, makes a total Ordinary dividend of 41.0 pence for the year, an increase of 5.0 pence over 1986. Including the imputed tax credit of 15.16 pence this is equivalent to a gross dividend of 56.16 pence for the year.

Trading results for the first quarter 1988 will be announced on Thursday 28 April 1988.

THE PROPERTY MARKET BY PAUL CHEESERIGHT

The Reading overflow

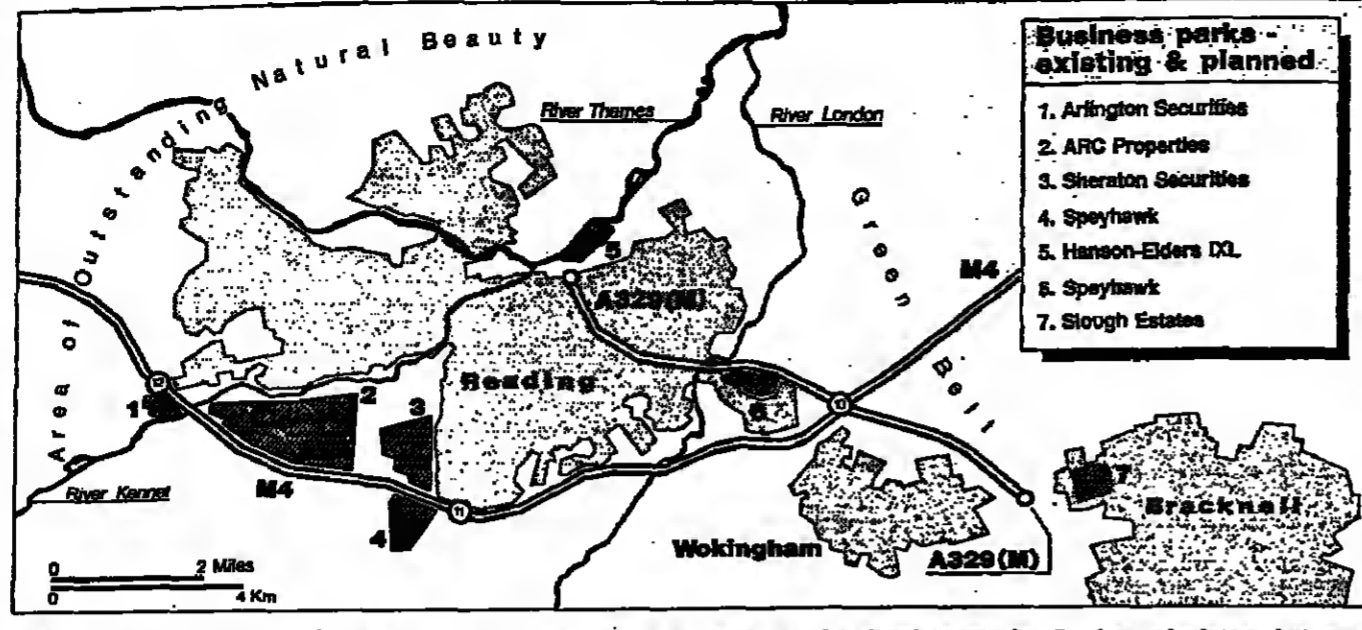
READING is a reservoir of business parks. The problem is knowing whether the reservoir is going to overflow. The planners will try to ensure, on environmental grounds, that it does not, while the developers will seek to ride the commercial tide pushing westwards from London.

Business parks are an extension of what has loosely been called hi-tech property - buildings, often in landscaped surroundings, where companies, usually associated with high technology industry, engage in a multitude of activities from research to administration, from manufacture to selling.

Now that the Government has changed the Use Classes Order, which defines what can be done in a certain building, the division between offices and light industrial property has been eliminated. There is just one class of commercial activity - B1.

So hi-tech buildings can now be used as offices. Business parks will become, in the definition of King and Co, chartered surveyors, "landscaped, low-density specialist parks with their own leisure and amenity facilities and within easy driving distance of a recognised international airport." They would also have extensive car parking.

Reading's parks are being built to meet these criteria: London and Edinburgh Trust's Waterside Park, Slough Estates' Widdersham Triangle next door to a hi-tech development for Legal and General. Construction will soon start at Speyhawk's



- Business parks - existing & planned:**
1. Arlington Securities
 2. ARC Properties
 3. Sheraton Securities
 4. Speyhawk
 5. Hanson-Elders DL
 6. Speyhawk
 7. Slough Estates

Thames Valley Park, north from Widdersham and at Sheraton Securities' Axiom Four.

Surandi, the Hanson-Elders DLX company, has applied for planning consent at Little Lea Park. Just to the south of that Speyhawk has a property which is the subject of a planning appeal. Arlington and ARC Properties have schemes further to the west.

At the same time there is a good deal of owner-occupier activity, seeking the same facilities as could be leased in a business park. Panasonic, for example, is the latest company to announce a move: it

is shifting its headquarters from Slough to Bracknell.

And Ian Campbell of Campbell Gordon, the Thames Valley chartered surveyors, notes that, in the last two years, potential owner-occupiers have bought sites in Reading and nearby Bracknell covering more than 82 acres, on which there could be building amounting to 1.5m sq ft.

All of this suggests that Reading is ideal business park country. It is within easy reach of London, just down the road from Heathrow Airport and in a region where

the scope for development is limited, enabling the park character to be maintained. Three sides of the Reading reservoir are either in the green belt or areas of outstanding natural beauty.

But, it is not obvious that all the new space can be absorbed. "Competition is increasingly intense," remarks Mr Roger Squire, development director at Slough Estates.

Reading is a distinct market in the Thames Valley section of the M4 corridor, but it has to compete with other centres to secure tenants. Campbell

Gordon calculates that more than 2m sq ft of hi-tech space was built in the Thames Valley in 1986-87.

It is estimated that demand increased last year by about 20 per cent. This means that it is moving towards the record high levels of 1984 when it reached 9m sq ft. But since 1974 hi-tech yields down the M4 corridor have been between 6.9 and 7.9 per cent, according to figures recently published by Hillier Parker, chartered surveyors.

At the same time the number of potential tenants has increased because of the new

Use Classes Order. Slough Estates has just received consent from the Wokingham District Council for unfettered B1 use at Widdersham Triangle. That consent means, says Mr Squire, that "we have buildings which can accommodate a range of uses. We had been restricted to industrial and hi-tech uses." If there is flatter demand in the hi-tech sector then this can be compensated by the wider market provided by the B1 classification," he adds.

Once the office market is opened up, premises can be made available "for companies in a town centre who think they don't want or need to be there," says Mr Robert Moxed, a director of Speyhawk, thinking of professional firms and of Reading's traffic problems.

This raises the point that the Thames Valley market is not an overflow from London, although it benefits from the westward shift in activity. It is a market with its own internal dynamics. The Panasonic move is a case in point.

But the point about business parks is that they provide room to breathe. The difficulty is that in the UK generally, and particularly in Reading, land availability is not on the scale of the US, where business parks started.

Once there is a high density of buildings then the idea of a park is defeated. It is by no means clear that the planners are going to permit business parks to spread - but that depends to a large extent on the debate taking place in Berkshire.

A battle for the rural heartland

THE PUBLIC inquiry into Speyhawk's plans for a business park south of junction 11 on the M4 will be held later this year. Speyhawk is appealing against the refusal of planning permission.

The hearing is important because it will bring into play the problems of planning for property in Berkshire - on which the Berkshire County Council and Mr Nicholas Ridley, the Environment Secretary, have different views.

Mr Ridley has told the county council that it should make greater provision for housing in its structure plan. The county council is resisting this and the Council for the Preservation of Rural England is bitterly opposed, talking of "irreparable damage to a beautiful part of rural England."

But the housing row is only the most visible part of a more fundamental argument about how much development there should be in Berkshire and whether the county should maintain or restrain the momentum of its recent economic growth. Inevitably, the Reading business parks are caught up in the argument.

As Reading is hemmed in, to the north, east and west, by green belt and areas of outstanding natural beauty, the obvious place for future expansion of business activity is, on the south side of the M4. But local planners have consistently seen the motorway as a limit to expansion. If Speyhawk wins, that limit will be breached.

And if developments like Speyhawk's do go ahead, the pressure for more housing in Berkshire will increase and the demand for more roads will rise. Business parks set up to create an environment free of congestion obviously make little sense to planners if they create more congestion.

Already, Berkshire employers have three complaints: traffic congestion and the lack of infrastructure spending, mainly on roads; the lack of adequate parking facilities; and the shortage of affordable housing for a growing labour force.

The Speyhawk appeal will have to address these issues which, at best, are related to how a limited amount of space is to be used and how, if at all, environmental beauty can be reconciled with job creation.

AUCTIONS 16th MARCH 1988

including

- COMMERCIAL & RESIDENTIAL**
- 619/521 High Road WEMBLEY Shop let to BRITISH SHOE CORP £6985 pa Review JUNE 1988
 - 44 Ripple Road BARKING Shop let to THORN EMI £7500 pa Review 1992
 - 333/341 Watling Street RADLETT retail parade inc W.H.SMITH £47,050 pa Review Sept 1988
 - 112/113 High Street KING LYNN Shop let to TIMBERLAND (B & Q) £15,500 pa
 - 26, Broad St., March, Cambs. Shop Let To Times Furnishing Co Ltd. (Harris Queensway plc) £6,000 pa Review 1989
 - Units 1 & 2 The Drift Nacton Road IPSWICH Modern Warehouse Unit let to LADYBIRD BOOKS £30,120 pa Review 1990
 - 35/37 Augustus Road SOUTHFIELDS luxury HOUSE let to JAPANESE BANK £33,800 pa
- HOTELS and LEISURE**
- Hotels/Boarding Houses for investment or conversion: 66 Belgrave Road SW1 45 Staverton Road NW2 132 Chatsworth Road NW2
 - HAFOD ARMS HOTEL Devils Bridge Aberystwyth, Gwent
 - GARDEN House Hotel, Cliff Parade HUNSTANTON, Norfolk
 - Oval Hotel, Godwin Road, Cliftonville MARGATE, Kent
- SNOOKER and BINGO CLUBS:**
- Coral Leisure Newport Gwent
 - Beacon Leisure Dagenham Essex
 - Bingo Hall and shop BATTLE W.Yorks
 - Theatre Royal Margate Kent
 - The EMPIRE, GREAT YARMOUTH
- Land with Development Potential:**
- Beadnell Point NORTHUMBERLAND 54 acres Planning Permission for Holiday Village
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 - ULVERSTON, CUMBRIA 65 acres with frontage to Lake Windermere

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The Financial Times proposes to publish this survey on 8th April 1988

For a full editorial synopsis and details of available advertisement positions, please contact:

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FEBRUARY 1988

COMMODITIES AND AGRICULTURE

LME meets over nickel surge

BY DAVID BLACKWELL

THE LONDON Metal Exchange Board will meet at 10am today to consider the situation in the nickel market after the price for cash metal shot to an all-time high in late trading yesterday.

The cash price rose by \$1,385 a tonne to close at \$10,625 yesterday - equivalent to \$4.82 a lb. In contrast, the price of three-month metal rose by only \$210 a tonne to \$8,675.

Mr John Harris of Rudolf Wolff said the lower than expected South African output and purchases by the US Mint had also underpinned the bullish outlook.

British farmers sceptical about EC reforms

BY BRIDGET BLOOM

'WE'LL BE looking to the Almighty this year to control our surpluses - with the weather we've been having. He's much more likely to be effective than those politicians in Brussels.'

Although stabilisers for ten Community farm sectors were agreed in Brussels, the principal ones affecting British farmers are for cereals, oilseeds, sheepmeat and dairy produce.

Farmer's belief that quotas will ultimately be introduced for cereals also partly explains their scepticism about the voluntary plans included in the Brussels settlement for taking out - setting aside - land from cereal production.

Opinion seems divided on whether the plans to curb oilseed production will be more successful. For the manager of the Surrey farm, ropeseed - production of which community-wide has more than doubled in the last four years to nearly 6m tonnes - provides a vital break crop for wheat and barley and as such is not easily replaceable.

Others fear, however, that price cuts for oilseeds will be insufficiently tough to send farmers back into cereal production. One sector where there is special uncertainty is sheepmeat. Privately British sheep farmers admit they have done particularly well out of the EC support system which involves weekly premiums on lambs sold for slaughter as well as on ewes.

Financial Services Act worries commodity trade

BY DAVID BLACKWELL

A GROUP of 18 London commodity trading firms, concerned about the implications for their businesses of the Financial Services Act, have formed a pressure group to air their concerns.

Next week the group will submit to the AFBD a 100-page document on areas in the 485-page AFBD rule book which they think need explanation or change.

that market operators may take their business elsewhere. It feels the rule book is not designed for the traders whose main business has nothing to do with the private investor.

Hunt silver case goes to court

By James Buchan in New York

AFTER YEARS of legal wrangling, the Hunt brothers of Dallas, Texas, this week faced accusations in a Manhattan courtroom that they conspired to manipulate silver prices in 1979 and 1980.

British rapeseed crop soars to record level

BY JOHN BUCKLEY

UK RAPESEED crushings rose to a record 333,700 tonnes in 1987 from 618,400 tonnes in the previous year, boosting the total oilseed crush by nearly 20 per cent to 1.63m tonnes, according to the Ministry of Agriculture.

Torrential rain leaves this Devon farmland 'set aside'

BY DAVID BLACKWELL

Most farmers seem to believe that the cereal stabilisers will be too weak to have much effect on production, certainly over the next 18 months and probably beyond.

Opinion seems divided on whether the plans to curb oilseed production will be more successful.

Others fear, however, that price cuts for oilseeds will be insufficiently tough to send farmers back into cereal production. One sector where there is special uncertainty is sheepmeat.

Mr J.C. Walter of Simmons & Simmons, solicitors retained by the traders, stressed that the document will include ideas for substantive changes.

Mr J.C. Walter of Simmons & Simmons, solicitors retained by the traders, stressed that the document will include ideas for substantive changes.

Mr Alastair Annand, chief executive of the AFBD, said yesterday that the association had already had a number of meetings with the traders' group and were aware that it would be submitting suggested revisions to the rules.

World Commodities Prices

Table with multiple columns for various commodities including Gold, Silver, Copper, Wheat, Soybeans, etc. with prices in different currencies and units.

LONDON MARKETS

GOLD BULLION prices closed at a 10-month low of \$430.75 an ounce yesterday, falling a further \$5.25 since our last Wednesday's \$6.25 decline.

COCOA 2/tonne

Table showing cocoa prices with columns for Close, Previous, High/Low and dates from Mar to May.

LONDON METAL EXCHANGE

Table showing metal exchange prices for various metals like Aluminium, Cash, and others.

US MARKETS

COPPER rallied on short-covering as traders squared off their positions, reports Drexel Burnham Lambert.

NEW YORK

GOLD 100 Troy oz. \$/roy oz. Feb 433.2 431.9 436.0 429.0

CRUDE OIL

Table showing crude oil prices for different grades and regions.

CHICAGO

Table showing Chicago market prices for various commodities.

SPOT MARKETS

Table showing spot market prices for various commodities like Dural, Brent Blend, etc.

SUGAR \$ per tonne

Table showing sugar prices with columns for Raw, Close, Previous, High/Low.

POTATOES 2/tonne

Table showing potato prices with columns for Close, Previous, High/Low.

LONDON BULLION MARKET

Table showing London bullion market prices for Gold, Silver, etc.

SOYABEAN MEAL 2/tonne

Table showing soyabean meal prices with columns for Close, Previous, High/Low.

PLATINUM 50 Troy oz. \$/roy oz.

Table showing platinum prices with columns for Close, Previous, High/Low.

COTTON 50,000 lbs. cents/lb.

Table showing cotton prices with columns for Close, Previous, High/Low.

ORANGE JUICE 15,000 lbs. cents/lb.

Table showing orange juice prices with columns for Close, Previous, High/Low.

GRAINS 2/tonne

Table showing grain prices for Wheat, Barley, etc.

GAS OIL \$/tonne

Table showing gas oil prices with columns for Close, Previous, High/Low.

FRUIT AND VEGETABLES

As the southern hemisphere season continues supplies of grapes have increased, pushing prices down, reports FVIV.

LONDON METAL EXCHANGE TRADED OPTIONS

Table showing metal exchange traded options for Aluminium, Silver, etc.

SILVER 5,000 Troy oz. cents/roy oz.

Table showing silver prices with columns for Close, Previous, High/Low.

COPPER 25,000 lbs. cents/lb.

Table showing copper prices with columns for Close, Previous, High/Low.

INDEXES

Table showing various market indices like REUTERS, DOW JONES, etc.

LIVE CATTLE 40,000 lbs. cents/lb.

Table showing live cattle prices with columns for Close, Previous, High/Low.

Vertical text on the right edge of the page, possibly a page number or reference.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar retreats on GNP figure

THE DOLLAR fell back on a revision to fourth quarter US gross national product growth, which the foreign exchanges regarded as disappointing. The figure was revised up to 4.5 p.c. The US currency finished little changed in Europe, after rising ahead of the GNP announcement. Economists generally expected an upward revision to over 5 p.c., against last month's preliminary estimate of 4.2 p.c. A breakdown of the figures showed that US consumption and investment were up, but that imports rose, leading to a downward revision in net exports.

rate index closed unchanged at 74.6, compared with 72.2 six months ago. Sterling remained firm, just below DM3.00 throughout a quiet day. Attention was focused on the dollar, and the US GNP figure, leaving the pound on the sidelines. There were no new factors, with dealers waiting for next Monday's publication of the UK trade figures for January. Sterling finished unchanged at \$1.7640-1.7650, and at \$2.2725, but rose to DM2.9925 from DM2.99; to FF10.1250 from FF10.11; and to SF2.4625 from SF2.46.

finish a little higher on the day at DM1.6950, against DM1.6920 previously. The Bundesbank did not intervene when the dollar was fixed at DM1.6995 in Frankfurt, compared with DM1.6931 on Wednesday. JAPANESE YEN - Trading range against the dollar in 1987/88 is 169.45 to 121.85. January average 127.77. Exchange rate index 240.1 against 223.2 six months ago. The Bank of Japan reminded dealers in Tokyo yesterday that intervention could still play a part in deciding the fate of the dollar, after the US currency had fallen through a technical support level of ¥128.00. The central bank did not support the dollar, but checked dollar/yen quotes through brokers when the currency fell to around ¥128.25. Though to lift the dollar back up to ¥128.50 at the close, compared with ¥128.75 on Wednesday. It had weakened in Tokyo following reports of sales by US banks in Singapore. Dealers saw an upward potential in the dollar, and were therefore tempted to test how far down the currency could be pushed.

FINANCIAL FUTURES

A flight to quality

TRADEERS ON LIFFE found it hard to find an obvious reason for the sudden surge in gilt prices during late trading. A climb above the technical resistance level of 121.24 on March long term gilt futures prompted increased buying, but falls to suggest why the contract reached that level in the first place. The strength of sterling was a background factor, with the pound continuing to hover just below DM3.00, but the key to the situation may be provided by the rally in US Treasury bonds, in spite of a disappointing revision to US fourth quarter GNP growth. It was suggested that there is a world wide flight to quality, and that this move may have been encouraged by the recent profit figures from UK clearing banks, with large provisions on losses against loans to less developed countries. Losses on equities after the October share price crash is another reason for investors to look towards sovereign debt among the world's leading industrial nations as the safest home for funds. One trader said that it is

more a matter of protecting assets than looking for strong capital growth. Weakness of gold provides no attraction in that direction, and investors are therefore left with little alternative but to remain with US Treasury bonds, UK gilts and any other widely traded debt instrument. March long gilts touched a peak of 122-01, before closing at 121-31, compared with 121-02 on Wednesday. March US bonds made a partial recovery from a low of 93-31, to finish at 94-16, against 94-21 previously.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

Table with columns: Strike, Call, Put, Price, Bid, Offer, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, Rate, % change, Divergence

STERLING - Trading range against the dollar in 1987/88

is 1.8785 to 1.4710, January average 1.8001. Exchange

£ IN NEW YORK

Table with columns: Feb 25, Last, Previous

STERLING INDEX

Table with columns: Index, Feb 25, Previous

CURRENCY RATES

Table with columns: Currency, Rate, Feb 25, Previous

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Date, Day's spread, One month, % change, Three months, % change

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Date, Day's spread, One month, % change, Three months, % change

CURRENCY MOVEMENTS

Table with columns: Currency, Index, Change %

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Term, Rate

OTHER CURRENCIES

Table with columns: Currency, Rate, Feb 25, Previous

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, Feb 25, Previous

LONDON (LIFFE)

Table with columns: Contract, Price, Bid, Offer, etc.

CHICAGO

Table with columns: Contract, Price, Bid, Offer, etc.

JAPANESE YEN (NIM)

Table with columns: Contract, Price, Bid, Offer, etc.

MONEY MARKETS

Conditions tighten

CREDIT CONDITIONS tightened on the London money market yesterday. A dealer at a major discount house said he paid over 9 p.c. for call money for the first time this year. Three-month interbank touched 8 3/4 p.c., but eased back to close unchanged at 9 1/4 p.c. The problem involves the short end of the market, after the Bank of England has forecast larger than expected credit shortages this week, and the market finds UK clearing bank base leading rate 9 per cent from February 2.

FT LONDON INTERBANK FIXING

Table with columns: Contract, Price, Bid, Offer, etc.

MONEY RATES

Table with columns: Contract, Price, Bid, Offer, etc.

LONDON MONEY RATES

Table with columns: Contract, Price, Bid, Offer, etc.

CURRENCY FUTURES

Table with columns: Contract, Price, Bid, Offer, etc.

COUNTRY

Table with columns: Country, Currency, Value of Dollar

COUNTRY

Table with columns: Country, Currency, Value of Dollar

Advertisement for ANADIN pain relief, featuring the text 'For ASPIRIN pain relief TAKE ANADIN FAST PAIN RELIEF' and 'the proven formula'. Includes contact information for MUIR-CARBY, BOTTKJAER, INC.

Advertisement for BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON. Features the headline '\$ WORLD VALUE OF THE DOLLAR' and a detailed table of exchange rates for various countries and currencies.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, May 88, Jun 88, Jul 88, Stock. Includes entries for GOLD C, SILVER C, etc.

Table with columns: Index, Vol, Last, May 88, Jun 88, Jul 88, Stock. Includes entries for EOE Index C, EOE Index D, etc.

Table with columns: Index, Vol, Last, May 88, Jun 88, Jul 88, Stock. Includes entries for ABN C, AFRI C, AFRI D, etc.

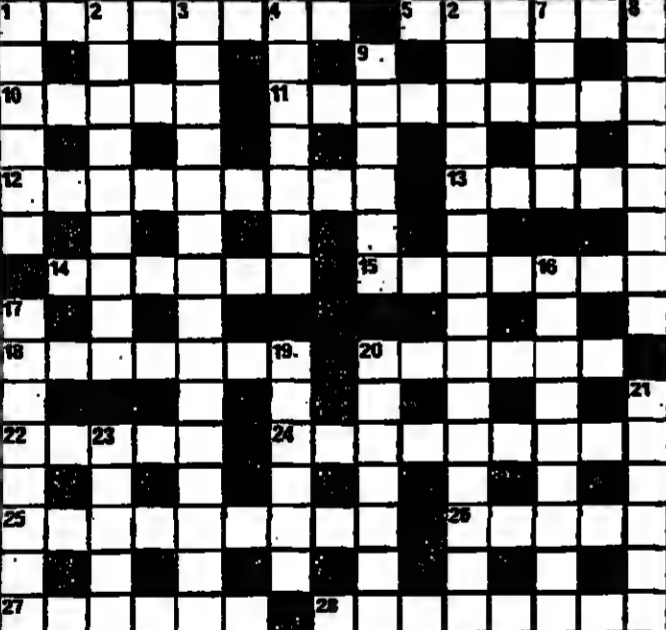
TOTAL VOLUME IN CONTRACTS: 29,141

BASE LENDING RATES

Table with columns: Bank, Rate, Bank, Rate. Lists various banks and their base lending rates.

NEWPORT. The Financial Times proposes to publish a Survey on the above on MONDAY 28TH MARCH 1988. For a full editorial synopsis and details of available advertisement positions, please contact: CLIVE RADFORD on 0272-293565 or write to him at: Merchants House, Wapping Road, Bristol, BS1 4RW.

FT CROSSWORD No.6,566 SET BY CINEPHILE



- ACROSS: 1 Not enough beach without marker (8); 2 Comparison are ditto when backing bills (6); 3 Root for happiness (5); 4 Party for new scholars: what was the broadcast like? (9); 5 Painter changes counter with story-teller (9); 6 Pub - I'm not quite sure - next to the Bull (5); 7 Follow-Green in disguise? (6); 8 A lot of fat I'd return - for my figure? (7); 9 Pink eggs round chair (7); 10 Pain of parting with money? (6); 11 Painter of water bird around river (5); 12 Composite plant provides places for urns (9); 13 Beginning in August, a singular range (8); 14 Boring exercise? (5); 15 Kind chap put in shade (6); 16 Ambiguous model, stuck without love (3-5); 17 Chap takes in sleeve of shirt, for example (7); 18 Copy passage from Separate Tables for play? (9,6); 19 Stars in oratorio, naturally (6); 20 Set of symptoms affecting doctor's moses? (8); 21 Yellow bill's turned red (6); 22 Not a live angel? (8); 23 Mistake about plate-holder with a little salt in it (8); 24 Sergeant enters before request for more (6); 25 Boy in school plays base (5); 26 Poem of no merit about everything (6); 27 Sphere of genuine number-iver (5); 28 Solution to Puzzle No.6,565

Solution to Puzzle No.6,565: C U D D L E P O A R D A R I E A P O C H A R D I A P A S T I A P A R T I S A I N E T I G E L I E I I E I I E I T O O T H L E S S F E N C E L I G H T I M P R U D E N T E M V A S Y E N D O W M E N T E M E N D A A R S E R I D E R L E I T M O I N Y A C H R I S T I A U R I C H R I S T I A U R I E P E R G N E H A C K N E Y

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts and their managers, including columns for Name, Manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Table listing unit trust information services, including columns for Name, Manager, and other details.

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FT UNIT TRUST INFORMATION SERVICE

Unit Trusts

Main table containing financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

INSURANCES

Table listing insurance companies and their associated unit trusts, including details on policy types and terms.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Table of unit trust information for various companies including Phoenix Assurance Co Ltd, Prudential Assurance Co, and Royal Liver Assurance Ltd. Columns include company name, fund name, and performance metrics.

Table of unit trust information for various companies including TSB Life Ltd, Target Life Assurance Co Ltd, and The Norwich Corporation. Columns include company name, fund name, and performance metrics.

Table of unit trust information for various companies including Sun Life of Canada, Sun Alliance Insurance Group, and Sun Life of Canada (UK) Ltd. Columns include company name, fund name, and performance metrics.

OFFSHORE AND OVERSEAS section containing various international investment opportunities and company listings.

Handwritten Arabic text at the bottom left corner.

FT UNIT TRUST INFORMATION SERVICE

Handwritten note: 104/101/102

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Investment Objective, and other details.

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Investment Objective, and other details.

LONDON SHARE SERVICE

Table of British Funds, listing various funds with columns for Name, Investment Objective, and other details.

Table of British Funds - Contd, listing various funds with columns for Name, Investment Objective, and other details.

Table of Foreign Bonds & Rails, listing various bonds and rails with columns for Name, Investment Objective, and other details.

Table of Money Market Trust Funds, listing various trust funds with columns for Name, Investment Objective, and other details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing bank and hire purchase/leasing stocks with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

DRAPERY AND STORES - Contd

Table listing drapery and store stocks with columns for stock name, price, and change.

ELECTRICALS

Table listing electrical stocks with columns for stock name, price, and change.

ENGINEERING - Contd

Table listing engineering stocks with columns for stock name, price, and change.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other stocks with columns for stock name, price, and change.

HOTELS AND CATERERS

Table listing hotel and catering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

ENGINEERING - Contd

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks with columns for stock name, price, and change.

INSURANCES

Table listing insurance stocks with columns for stock name, price, and change.

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LONDON SHARE SERVICE

Handwritten note: 'Half in it'

INSURANCES - Contd

Table of insurance companies including Avon, British, and others with columns for stock price, change, and volume.

PAPER, PRINTING, ADVERTISING - Contd

Table of paper, printing, and advertising companies including Newsprint, News, and others.

TEXTILES - Contd

Table of textile companies including British Textiles, British Cotton, and others.

TRUSTS, FINANCE, LAND - Contd

Table of trusts, finance, and land companies including British Trust, British Finance, and others.

OIL AND GAS - Contd

Table of oil and gas companies including British Petroleum, Shell, and others.

MINES - Contd

Table of mining companies including Anglo-American, Anglo-Australian, and others.

LEISURE

Table of leisure companies including British Leisure, British Leisure, and others.

PROPERTY

Table of property companies including British Property, British Property, and others.

TOBACCO

Table of tobacco companies including British Tobacco, British Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including British Trust, British Finance, and others.

OVERSEAS TRADERS

Table of overseas traders including British Overseas, British Overseas, and others.

PLANTATIONS

Table of plantation companies including British Plantations, British Plantations, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including British Motors, British Motors, and others.

COMMERCIAL VEHICLES

Table of commercial vehicle companies including British Commercial, British Commercial, and others.

FINANCE, LAND, ETC

Table of finance, land, and other companies including British Finance, British Finance, and others.

MINES

Table of mining companies including British Mines, British Mines, and others.

THIRD MARKET

Table of third market companies including British Third, British Third, and others.

NOTES

Notes section providing additional information and disclaimers regarding the data presented.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies including British Newspapers, British Newspapers, and others.

SHIPPING

Table of shipping companies including British Shipping, British Shipping, and others.

SHOES AND LEATHER

Table of shoes and leather companies including British Shoes, British Shoes, and others.

SOUTH AFRICANS

Table of South African companies including British South, British South, and others.

TEXTILES

Table of textile companies including British Textiles, British Textiles, and others.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Regional, British Regional, and others.

TRADITIONAL OPTIONS

Table of traditional options including British Options, British Options, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies including British Paper, British Paper, and others.

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LONDON STOCK EXCHANGE

Strong close in Gilts and equities as trading news encourages investment buyers

Account Dealing Dates
Option
First Dealing Last Account
Dealings Dealings Day
Feb 8 Feb 18 Feb 25
Feb 22 Mar 5 Mar 12
Mar 7 Mar 17 Mar 24
Mar 28

THE STEADY flow of highly satisfactory trading results from major British companies strengthened confidence in the pre-Budget rally in the UK stock markets yesterday. Profits statements from ICI, Royal Insurance and British Telecom brought selective buying of equities by the investment institutions which have built up substantial cash positions over recent weeks.

510.1m shares, about 27 per cent above recent daily averages.
Insurance stocks were strong as the market responded vigorously to the statement from Royal, and the banking sector, set free this week from the shadow cast ahead of the trading statements from the leaders, closed steadily. Lloyds will be the last to report today.

Demand from the US securities houses for, among others, British Petroleum and British Gas featured the final hour of trading.
Bond traders confessed to some confusion as Gilt-edged recovered early falls of 1/4 to move up strongly as the US fixed interest market set the pace towards the end of the London session. Long-dated issues ended with gains of not a full point.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, Feb 25, Feb 24, Feb 23, Feb 22, Feb 21, Year Ago, High, Low, High, Low, Since Completion.

LONDON REPORT AND LATEST SHARE INDEX: TEL 0698 123001
Day's High 1433.9 Day's low 1420.8
Opening 1420.8 10 a.m. 1424.8 11 a.m. 1426.8 12 p.m. 1429.4 1 p.m. 1429.2 2 p.m. 1429.0 3 p.m. 1429.5 4 p.m. 1428.3

Other Brewery leaders also attracted increased buying interest. Enthusiasm for Allied-Lyons built up steadily to total 2.1m shares, more than twice the previous day's volume, and the price gained 9 to 353p. Whitbread "A" found the going more arduous than of late because of the unexpected reappearance of the recent large seller, and the close was 4 higher at 288p. Bass, many analysts' view of the sector's most undervalued stock, rose 13 to 310p amid livelier activity.

Leading Buildings attracted selective buying interest, with sentiment helped by a good set of interim results from house-builder Bryant Group, the latter, in which English China Clay holds a major stake, closed a penny dearer at 139p. Barratt Developments revived with a gain of 9 at 189p and Tarmac managed a similar rise at 244p. Costain put on 7 to 288p as Trafalgar House bid rumours revived while Taylor Woodrow Material issues were also in good form, EMC rising 16 to 450p in a restricted market and BPE Industries, on a turnover of around 1.5m shares, gaining 9 to 280p. Bid speculation persisted in brick-maker Bstock Johnson, up 6 more at 185p. Buyers returned for Wiggins, finally 11 higher at 187p.

Barclays moved up 4 to 488p in the wake of a generally favourable Press response to the figures announced on Wednesday.
Merchant banks included a firm feature in GFG, the old Guinness Peat Group, which jumped 5 to 85p after details of the proposed demerger of the Guinness Mahon and Fenchurch Insurance units was announced.

Commercial Union, scheduled to report preliminary figures on Wednesday, added 6 at 326p, after 332p. General Accident - a sector favourite of at least three leading securities houses, and also due to announce figures on Wednesday - rose 15 to 870p. Sun Alliance jumped 24 to 899p owing to a stock shortage but Sedgwick remained a nervous market and slipped 2 to 208p in front of today's numbers.

The acquisition by Australian National of a further 6.1 per cent stake taking their holding in Ansoara to 21.2 per cent boosted the latter 6 to 95p. ANI also revealed it had bought a 6.1 per cent in William Cook shares of which jumped 15 to 112p.

The miscellaneous industrial sector displayed several bright features. BTR were outstanding at 277p, up 10, while British Airways fell 7 to 168p. English China Clay were a firm market on rumours that the company may sell its stake in Bryant Holdings and closed 7 higher at 407p, while Pilkington, aided by traded option activity, put on 13 to 237p.



London SE Shares Traded (million)
Comprehensive trading days
700 million
600 million
500 million
400 million
300 million
February

profits of £274m were well down on last year's £304.8m but at the top end of analysts' projections - but later slipped to close only 5 firmer on the day at 406p on turnover of 2.2m.

respective turnovers of 10m and 14m. The Kuwait Investment Office was said to have moved back into the market for the party-paid - a single deal of 7m "new" went through the market at 62 1/2p. And there was said to have been a major "switch" out of Shell and into BP and British Gas. A jump of 4.7m BP were traded at 260 1/2p - a buy - quickly followed by 3.2m Shell at 104 1/2p - a sell - and 1.5m British Gas at 138 1/2p.

NEW HIGHS AND LOWS FOR 1987/88
BREWERS (1) Macellan-Glenlivet, INDUS-TRIALS (1) Maticca, PAPERS (1) Usher-WALKER, TRUSTS (1) Finscaping Japan

TRADING VOLUME IN MAJOR STOCKS
The following is based on trading volume for Alpha securities dealt through the SEAI system yesterday until 5 pm.

FT - ACTUARIES INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

LONDON TRADED OPTIONS
Table with columns: Option, CALLS, PUTS, D.L., etc.

LONDON TRADED OPTIONS (continued)
Table with columns: Option, CALLS, PUTS, D.L., etc.

RISES AND FALLS YESTERDAY
British Funds, Corporate, Dominion and Foreign Bonds, Financial and Properties, Oils, etc.

LONDON RECENT ISSUES
Table with columns: Issue, Amount, Latest Price, etc.

FIXED INTEREST
Table with columns: PRICE INDICES, The Feb 25, Day's change, etc.

FIXED INTEREST (continued)
Table with columns: PRICE INDICES, The Feb 25, Day's change, etc.

FIXED INTEREST (continued)
Table with columns: PRICE INDICES, The Feb 25, Day's change, etc.

FIXED INTEREST (continued)
Table with columns: PRICE INDICES, The Feb 25, Day's change, etc.

RIGHTS OFFERS
Table with columns: Issue, Amount, Latest Price, etc.

40 opening index 1764.3; 10 am 1769.5; 11 am 1772.3; Noon 1776.1; 1 pm 1776.5; 3 pm 1777.3; 4 pm 1775.8

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WORLD STOCK MARKETS

AUSTRIA

Table of stock prices for Austria, including companies like Austria Energie, Austria Telekom, and Austria Mobil.

FRANCE

Table of stock prices for France, including companies like Air France, Bouygues, and Bouffier.

GERMANY (continued)

Table of stock prices for Germany, including companies like Allianz, Bayer, and Bosch.

NETHERLANDS (continued)

Table of stock prices for Netherlands, including companies like Akzo, DSM, and Heijmans.

NORWAY

Table of stock prices for Norway, including companies like Aker, Elkem, and Fjord.

FINLAND

Table of stock prices for Finland, including companies like Nokia, Wärtsilä, and Kvaerner.

ITALY

Table of stock prices for Italy, including companies like Agnelli, Eni, and IRI.

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ITALY

Table of stock prices for Italy, including companies like Agnelli, Eni, and IRI.

CANADA

Table of stock prices for Canada, including companies like Alcan, Inco, and Noranda.

OVER-THE-COUNTER

Table of over-the-counter stock prices, including various international and domestic securities.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table showing price changes for various commodities and currencies in London.

TOKYO - Most Active Stocks

Table of most active stocks in Tokyo, including companies like Daiichi Kangaro, Daiwa, and Fuyo.

Have your F.T. hand delivered...

Advertisement for Helsinki & Espos, featuring the company logo and contact information.

Small print at the bottom of the page containing legal disclaimers and publication details.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, February 25

Main table of stock prices with columns for stock name, price, and change. Includes sub-sections for 'D', 'E', 'H', 'M', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

Continued on Page 42

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NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices with columns for Stock, High, Low, and Change. Includes sub-sections like 'Continued from Page 42' and 'T T T'.

Table of AMEX Composite Closing Prices with columns for Stock, High, Low, and Change. Includes sub-sections like 'D D', 'E E', 'F F', 'G G', 'H H', 'I I', 'J J', 'K K', 'L L', 'M M', 'N N', 'O O', 'P P', 'Q Q', 'R R', 'S S', 'T T', 'U U', 'V V', 'W W', 'X X', 'Y Y', 'Z Z'.

OVER-THE-COUNTER

Table of Over-the-Counter market closing prices with columns for Stock, High, Low, and Change. Includes sub-sections like 'A A', 'B B', 'C C', 'D D', 'E E', 'F F', 'G G', 'H H', 'I I', 'J J', 'K K', 'L L', 'M M', 'N N', 'O O', 'P P', 'Q Q', 'R R', 'S S', 'T T', 'U U', 'V V', 'W W', 'X X', 'Y Y', 'Z Z'.

Advertisement for Athens (01) 7237167, featuring the text 'Have your F.I. hand delivered' and 'ATHENS'.

EUROPE

Optimism over company results boosts demand

London

STRONG demand from US houses for selected blue chip stocks helped boost the London market, which saw renewed investor confidence and improved turnover.

US demand, for such stocks as British Petroleum and British Gas, appeared to be stimulated by falling US oil prices. Overseas buying caught the market badly short of stock and there were fears it could be over-bought.

The FT-SE 100 Index closed 22.3 up at 1,782.4.

MILAN lost ground on profit-taking and closed down for the first time in 12 sessions. The MIB index fell 8 to 1,010, after rising 16.5 per cent over the previous 11 days. Traders said many share prices recovered in steady after-hours trade.

De Benedetti groups felt the pinch after strong recent gains, as profit-taking set in. Office equipment specialist Olivetti, of which Carlo De Benedetti is chairman, lost L115 to L8,710, while the Italian financier's holding company CIR ended unchanged at L4,970. Cofide meanwhile lost L500 to L5,250 and De Benedetti's financial company Sabandia fell L39 to L1,575.

There were gains, however, for the Ferruzzi group, which said yesterday that shareholders had approved plans for a listing of the holding company Ferruzzi Finanziaria. Ferruzzi added L41, or 3.3 per cent, to L1,280, while Ferruzzi Agricola closed up 1.36 per cent at L1,181.

ZURICH moved higher on the dollar's midday gains, foreign interest and optimism generated by the Swiss stock index adding 4.2 to 452.4 in an active session.

Union Bank bearers rose SF775 to SF1,250 in a lively banking sector before news of a 3 per cent fall in net profits and an unchanged dividend, much in line with market expectations. Other banks and insurers moved higher as well.

STOCKHOLM's slow trend continued in the run-up to the school holiday week, with the market closing steady in thin trading.

The Affairevaeriden index rose 0.9 to 760.1, and most sectors posted narrow gains. About 10 per cent of the SKR217m turnover was accounted for by dealing in industrial service company Flakt, which is the subject of a cash bid by Asea Brown Boveri. ABB added SKR2 to SKR316.

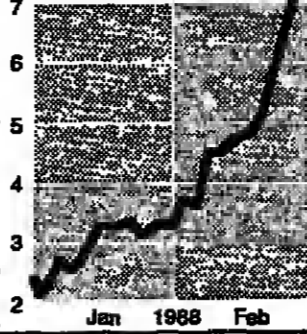
MADRID finished mixed in the featureless trading, with the general index closing unchanged at 251.94.

OSLO closed higher following the previous day's profit-taking, with the all-share index adding 1.45 to 277.34.

HELSINKI closed mostly unchanged, with the United Shares index adding just 0.2 to 581.

Societe Generale de Belgique

Share Price (BF thousand)



brokers - not just in Brussels but in Paris and London too - may have lost large sums with those buying the shares not apparently being able to take delivery of them.

"The speculation has been incredible," commented one market man last night. "On 1,000 shares you can lose a lot of money but on 100,000 it would be a fortune."

He explained that the excited buzz around the Générale share price has attracted considerable foreign attention at a time when trading in other European markets has been relatively subdued.

There were no deals done through the market in Générale shares yesterday as the Stock Exchange authorities effectively suspended trading, posting an "indicative" price of BF7,010. Prices of BF8,000 to BF9,000 were reported in off-bourse transactions, four times higher than the share price at the beginning of the year.

The wider market was little changed to firmer.

AMERICA

Declining bonds set tone as volatile Dow drops

Wall Street

STOCK and bond prices gave up early gains to end yesterday sharply lower in active trading that represented one of the most volatile sessions in weeks, writes *Roderick Oram in New York*.

Much of the tone was set by the bond market. Bond prices rose as much as 3/4 of a point during the morning, spurred by a further sharp fall in commodity prices.

However, negative implications of the smaller-than-expected upward revision in fourth-quarter gross national product began to sink in later and bond prices fell to end the day down 1/2 point.

Most of the day followed bonds higher, taking the Dow Jones Industrial Average well above its post-crash peak on January 7. However, as bonds retreated, stock prices eroded rapidly. The Dow Industrial Average closed down 22.38 points at 2,017.57 after swinging through a 73-point range.

In a pattern typical of recent weeks, the blue chips were once again out-performed by secondary and tertiary stocks. New York Stock Exchange volume was heavy at more than 215m with declining issues outpacing those advancing by a ratio of eight to seven.

Oil stocks suffered as US oil prices fell by more than 50 cents a barrel to below \$16. Exxon fell 5/8 to \$41 1/4, Chevron lost 3/4 to \$43 1/4, Amoco dropped 3 1/4 to \$72 1/4. Mobil gave up 1/2 and Atlantic Richfield was off 3/4 to \$75 1/4. However, the prospect of lower fuel prices and higher fares underpinned airline stocks.

AMR added 3/4 to \$39, NWA was up 3/4 to \$41 1/4, Trans World rose 5/8 to \$24 1/2 and USAir rose 5/8 to \$35.

Takeover news supplied some of the juice and a lot of the volume to yesterday's performance. Federated Department Stores rose 1/4 to \$63 1/4 as arbitrageurs became more confident that Campesù's \$65-a-share takeover offer was closer to success. Campesù announced it would sell its top-of-the-market Brooks Brothers men's clothing chain to Marks and Spencer of the UK for \$770m and that the Reichmann family of Toronto would buy \$260m of convertible debentures to help finance the takeover.

Irving Bank added \$3 to \$63 1/4, Bank of New York, off \$ 1/4 to \$29 1/4, won approval for its takeover bid for Irving from the New York State banking commissioner. The hostile bid still requires other regulatory approval.

Korthop fell 5/4 to \$27 1/4 after reports that the defence contractor was being investigated for alleged fraudulent billing of the Pentagon for the Seattle bomber which accounts for about half its profits and one-third of its workforce.

Credit markets' reaction to the revised fourth-quarter gross national product was unfavourable. The upward revision to 4.5 per cent from 4.2 per cent was markedly less than the 5 per cent expected. Normally this might have been good for bonds because it indicated at first glance that the economy was not performing quite as robustly as forecast. However, the upward revisions were in categories such as personal consumption, which showed that the domestic economy was stronger than thought.

Conversely, exports were revised downward. Bond prices fell about 1/4 of a point in early trading but rallied later on the back of a further reduction in commodity prices, particularly oil.

These signals of low inflation were bullish for bonds, building hopes that the next move by the Federal Reserve will be a cut in interest rates.

However, after rising about 1/4 of a point by mid-morning, the bond market went into retreat again, leaving by late afternoon the price of the benchmark 3.875 per cent, the Treasury long bond down 1/4 of a point at 104 1/2, yielding 8.42 per cent.

The Treasury's sale yesterday of \$7.3bn of five-year notes brought an average yield of 7.65 per cent, close to expectation, as was the yield on two-year notes sold the previous day.

The composite index, which had risen about 37 points in earlier trading, gained 10.5 to 3,170.5 as advances outnumbered declines by 442 to 419 on moderately active turnover of 25.1m shares.

Leading Canadian banks were higher across the board. Royal Bank gained 1/4 to 27 1/4, Bank of Montreal advanced 1/4 to 25 3/4 and Canadian Imperial Bank won 1/4 to 19 1/4. National Bank, which reported first-quarter earnings of C\$ 35.8m, down from C\$ 65.2m a year earlier, firmed 1/4 to 9 1/4.

Tim Dickson on an arithmetical puzzle

Générale price soars as stock dries up

AS MR CARLO De Benedetti, the Italian businessman, stunned Belgium last night by doubling the value of his bid for Société Générale from BFR4,000 to BFR8,000, analysts on the bourse were asking the question: are there any shares left to buy?

Competing and contradictory claims adding up to well over 100 per cent have been a regular feature of the dramatic six-week battle. But the sums now, according to one leading stockbroker, are relatively simple.

Mr De Benedetti claimed last night to have 45 per cent of the total, which added to the 52 per cent announced by a "cohesive" group of French and Belgian companies on Wednesday (including Compagnie Financière de Suez de Paris) makes 97 per cent. Throw in the 3 per cent of the shares thought to have been lost since the company was established in 1822 and you end up with a round 100 per cent.

Tantalisingly, these figures do not take account of the holding which is widely rumoured to belong to the Belgian Royal family - a part of the story which by omission is rarely mentioned in the Belgian press. Its size has never been confirmed but many believe that the King could speak for as much as 5 per cent of the company. Mr De Benedetti's spectacular offer is hardly likely to be dislodged.

The severe shortage of stock this week seems also to have been a major factor in driving up the share price of La Générale. Stories last night suggested some stock-

holders - not just in Brussels but in Paris and London too - may have lost large sums with those buying the shares not apparently being able to take delivery of them.

The speculation has been incredible, commented one market man last night. On 1,000 shares you can lose a lot of money but on 100,000 it would be a fortune.

He explained that the excited buzz around the Générale share price has attracted considerable foreign attention at a time when trading in other European markets has been relatively subdued. There were no deals done through the market in Générale shares yesterday as the Stock Exchange authorities effectively suspended trading, posting an "indicative" price of BF7,010. Prices of BF8,000 to BF9,000 were reported in off-bourse transactions, four times higher than the share price at the beginning of the year. The wider market was little changed to firmer.

CANADA

SHARE prices closed higher after large fluctuations as the market was buoyed by advances in base metal issues and banks.

The composite index, which had risen about 37 points in earlier trading, gained 10.5 to 3,170.5 as advances outnumbered declines by 442 to 419 on moderately active turnover of 25.1m shares.

Leading Canadian banks were higher across the board. Royal Bank gained 1/4 to 27 1/4, Bank of Montreal advanced 1/4 to 25 3/4 and Canadian Imperial Bank won 1/4 to 19 1/4. National Bank, which reported first-quarter earnings of C\$ 35.8m, down from C\$ 65.2m a year earlier, firmed 1/4 to 9 1/4.

ASIA

Nippon Steel, the second biggest stock with 48.7m shares, ended at ¥14,724, while Kawasaki Steel finished unchanged at ¥13,689.

Of the main heavy electrical winners, Mitsubishi Electric was third busiest with 39.45m shares. It ended at ¥18,833 on optimism over its plans to launch volume production of its 1-megabit dynamic random access memory chips. Toshiba, fourth with 38.5m shares, advanced ¥15 to ¥1775 and Hitachi to ¥12,900.

Among other giant-capitals, Ishikawajima-Harima Heavy Industries stiffened ¥12 to ¥1717 and Tokyo Gas ¥10 to ¥1,080.

In the chemical sector, Mitsui Petrochemical Industries and Mitsui Chemicals gained ¥50 each to ¥1,360 and ¥1,340 on their earnings recovery.

Konica, eighth busiest with 15.4m shares, added ¥30 to ¥1,050. But other high-tech stocks were hit by profit-taking, almost across the board, with Matsushita Electric Industrial shedding ¥20 to ¥2,280 and Sony ¥30 to ¥4,800.

Bonds closed lower on late selling after moving widely in speculative trading by dealers.

The Ministry of Finance set a coupon rate on 10-year government bonds, for issue in March, at 4.8 per cent, unchanged from the previous issue. The issue price, fixed at par was ¥106.0.

The ministry's decision sparked buying by dealers, who had expected a coupon rate cut of 0.1 per cent, but late profit-taking dragged the market down.

The yield on the bellwether 5.0 per cent government bond maturing in December 1997 rose on Wednesday's 4.33 per cent finish to 4.38 per cent after moving between 4.30 and 4.38 per cent.

In Osaka, equities fell for the first time in 11 days, hit by a drop in Osaka-based companies' shares. The Osaka Securities Exchange stock average slipped 38.88 to 25,248.89. Volume dropped by 30.1m shares from the previous day to 137.5m.

Nintendo lost ¥900, or 9 per cent, to ¥9,510 on the OSE. It was hit by profit-taking following reports that the strong year would lead to a 4 per cent fall in operating profits in the year to August 1988. Ono Pharmaceutical shed ¥110 to ¥5,860, while Life Stores surged ¥310 to ¥2,370.

SOUTH AFRICA

THE WEAK bullion price and strong financial rand put pressure on Johannesburg shares, but a late rally in golds reduced the losses.

The gold index ended down 18 at 1,220, while the industrial index lost 6 to 1,446. Trading was very quiet.

Among leading gold stocks, Vaal Reefs fell 1/2 to R238, and Randfontein gave up 1/4 to R208. Diamond stock De Beers lost 50 cents to R25.25.

TOKYO

Nikkei pushes past 25,000 mark

BUYING interest regained strength in Tokyo yesterday after a weaker start to send the Nikkei average higher for the 11th day running, pushing it past the 25,000 level for the first time in about four months, writes *Shigeo Nishizaki of Jiji Press*.

Steels, heavy electricals, financials and chemicals were among the best performers.

The Nikkei closed up 132.01 at 25,100.66. It moved during the day between 24,920.04 and 25,141.76.

Turnover decreased slightly from the previous day's 1.16bn to 857m shares. Advances led declines by 497 to 413, with 143 issues unchanged.

The market opened easier, reflecting concern over high prices after a 10-straight-day rise. But it later regained strength, with the Nikkei average rising close to its pre-crash level.

Buying focused on financial stocks, especially securities houses. Nomura Securities and Daiwa Securities added ¥120 each to ¥3,950 and ¥2,720, while Nikko Securities climbed ¥110 to ¥2,110. Banks and non-life insurers also strengthened, with Fuji Bank gaining ¥90 to ¥3,460, Mitsubishi Trust and Banking ¥170 to ¥3,900 and Tokio Marine and Fire Insurance ¥30 to ¥4,060.

Buying of recently popular giant-capital stocks weakened a little. Sumitomo Metal Industries, which topped the active stock list with 49.7m shares, gained, however, from an expected improvement in its earnings. It closed up ¥8 at ¥324.

hong kong

RENEWED buying by local investors and reduced selling by overseas institutions helped push share prices higher in light trading.

The Hang Seng index closed near the day's high at 2,355.88, up 19.88 points, with turnover of HK\$625.5m, up from HK\$451.6m on Wednesday. Bullish sentiment was helped by the announcement of the huge telecommunications project involving Hutchison Whampoa, which added 10 cents to HK\$7.60, and by the approaching reporting period which starts next month.

Hongkong Bank's monthly economic report out yesterday said healthy increases in corporate profits - of between 10 and 12 per cent - should support share prices this year.

Cheung Kong attracted most interest on the market yesterday, amid renewed rumours that it wanted to buy a large stake in Hongkong Land. Both stocks rose 25 cents, to HK\$6.75 and HK\$7.10.

australia

THE overnight fall in the gold price to a 10-month low in the US led to solid selling pressure on gold and mining stocks, with the All Ordinaries index closing down 15.1 at 1,244.8.

Declines outnumbered advances two to one, with the gold index losing 52.4, or 4 per cent, to 1,177.8.

In golds, Metana and Sons of Gwalia both fell 50 cents to A\$6.60 and A\$6.50, with Gold Mines of Kalgoorlie down 22 cents to A\$2.75. Emperor and Western Mining each lost 18 cents to A\$2.18 and A\$4.27, while Poseidon slid 15 cents to A\$2.20.

Among leading mining stocks, Australian Consolidated dropped 12 cents to A\$2.88, CRA fell 3 cents to A\$5.46 and MIM lost 3 cents to A\$1.43. Bougainville dropped 12 cents to A\$3.03.

The nervousness spread to some industrials, and Brambles shed 15 cents to A\$8.30 while News Corp fell 20 cents to A\$11.45. BHP, which received shareholder support for its A\$2.7bn share buyback, lost 14 cents to A\$6.66.

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY FEBRUARY 25 1988				WEDNESDAY FEBRUARY 24 1988				DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)
Australia (91)	98.37	+1.0	82.65	91.17	4.67	99.40	83.52	92.22	180.81	85.36	108.43
Austria (16)	122.48	+0.4	102.91	107.07	4.65	102.94	102.66	106.60	134.89	94.35	95.73
Canada (127)	115.51	+0.4	97.06	105.81	3.08	115.10	96.71	105.48	141.78	98.15	117.82
Denmark (38)	117.42	+0.1	96.66	103.29	2.89	117.35	98.60	103.19	124.83	98.18	112.47
Finland (23)	114.35	+1.0	96.08	98.27	1.90	115.57	97.09	99.28	112.11	62.99	97.23
France (122)	86.72	+1.6	74.55	79.85	3.75	87.30	73.35	78.47	121.82	72.77	110.64
West Germany (94)	77.87	+1.9	65.43	68.68	2.70	76.46	64.24	67.38	104.93	67.78	89.12
Hong Kong (46)	90.18	+1.1	75.77	90.27	4.69	89.18	74.93	89.27	158.68	73.92	111.62
Ireland (14)	114.40	+0.9	91.17	102.59	4.28	113.91	91.27	102.03	112.22	93.50	121.51
Italy (94)	73.26	+1.3	61.56	68.34	2.83	74.23	62.37	69.13	112.11	62.99	97.23
Japan (457)	160.29	+1.2	134.68	150.45	0.54	158.45	133.15	129.00	161.28	100.00	117.88
Malaysia (36)	113.22	-0.3	95.13	112.85	3.31	113.56	95.42	113.19	193.64	93.76	133.48
Mexico (14)	146.94	+1.1	123.46	370.32	0.96	145.38	122.15	366.06	322.39	90.07	134.58
Netherlands (37)	102.75	+0.7	86.33	89.29	5.04	102.08	85.77	88.64	131.41	69.70	113.78
New Zealand (24)	66.14	+0.8	55.57	52.93	6.20	65.62	55.13	52.50	138.99	65.62	91.56
Norway (2)	111.57	+0.7	93.74	96.45	3.15	110.80	93.09	95.87	185.01	95.51	114.83
Singapore (28)	103.97	+0.0	87.36	96.48	2.48	103.99	87.38	96.56	174.28	81.21	118.53
South Africa (61)	127.99	+0.9	103.58	117.79	5.23	127.92	103.58	117.79	149.00	100.00	118.12
Spain (43)	135.60	+0.3	113.93	117.36	3.50	135.95	114.23	117.47	168.81	100.00	118.66
Sweden (32)	108.96	+0.7	91.55	96.83	2.79	108.25	90.95	96.39	136.64	88.50	105.53
Switzerland (53)	82.98	+1.1	69.72	71.82	2.35	82.06	68.95	70.94	111.11	73.65	96.81
United Kingdom (327)	136.16	+1.0	109.34	109.34	4.32	128.62	108.07	108.07	162.87	99.65	121.77
USA (585)	106.75	+1.0	89.69	106.75	3.53	107.63	90.60	107.63	137.42	91.21	117.00
Europe (955)	104.48	+1.0	87.79	90.49	3.79	104.46	86.93	89.57	130.02	92.25	108.04
Pacific Basin (680)	125.13	+1.1	104.72	117.37	0.70	125.13	104.72	117.37	130.02	100.00	117.19
Euro-Pacific (1645)	134.88	+1.1	113.33	112.68	1.66	134.46	112.14	111.51	143.65	100.00	113.55
North America (712)	107.21	+0.9	90.08	106.71	3.50	106.21	90.92	107.71	137.55	91.68	117.04
Europe Ex. UK (638)	88.53	+0.8	74.39	78.64	3.32	87.81	73.78	77.93	111.97	88.99	94.82
Pacific Ex. Japan (134)	92.89	+0.1	75.05	87.39	4.62	93.02	78.16	87.56	164.03	82.92	107.44
World Ex. US (1847)	134.16	+1.1	112.17	112.17	1.62	134.16	112.17	112.17	143.28	100.00	113.78
World Ex. UK (2105)	122.92	+0.3	103.28	110.37	2.14	122.59	103.00	110.09	136.82	100.00	114.39
World Ex. So. Af. (2371)	123.52	+0.4	103.78	110.52	2.32	123.08	103.42	110.14	139.47	100.00	115.02
World Ex. Japan (1975)	105.93	-0.2	89.01	99.97	3.66	106.18	89.22	100.20	134.22	92.98	113.69
The World Index (2432)	123.55	+0.4	103.61	110.26	2.34	123.12	103.44	109.89	139.73	100.00	115.04

Base values: Dec 31, 1985 = 100; Finland Dec 31, 1987 = 115.037 (US \$ index); 90.791 (Pound Sterling); and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

As in the past the Financial Times proposes to publish a list of those candidates who were successful in the recent PII examinations. This list will appear in our issue of Thursday 3rd March under the heading "Newly Qualified Accountancy Appointments". The advertising rate will be £47 per Single Column Centimetre; Special positions are available by arrangement @ £57.00 per SCC.

GUIDE TO RECRUITMENT CONSULTANTS

Entries in the guide will be charged at £70.00, which includes your Company name, address and telephone number. Any additional information will be charged at £12.50 per line.

For further information please contact:
Louise Hunter or your usual Financial Times Representative on 01-248-8000

ARAB NATIONAL BANK

BALANCE SHEET SUMMARY
(IN THOUSANDS SAUDI RIYALS)

	DECEMBER 31	
	1987	1986
ASSETS	1987	1986
Cash/Funds	1,273,866	1,287,170
Deposits at Banks	7,941,577	7,878,832
Loans & Advances (Net)	2,770,590	2,199,483
Investments	446,832	297,516
Fixed Assets (Net)	274,805	

SECTION III

FINANCIAL TIMES SURVEY



Traditionally dependent upon big companies, Teesside has suffered a sharp, relatively sudden, rise in its unemployment. It is now seeking to restore its prosperity by developing a wider employment mix and encouraging small and medium-size enterprises, reports Hazel Duffy

Building up the pyramid

"ICI WANT to build a large new works, to employ 5,000 people, south of the Tees and a few miles east of Middlesbrough. This would be a perfect location from the point of view of Cleveland, where the ironstone mines seem bound to go completely dead within a few years after the war."

Redcar-Lackenby works, their fortunes will continue to be critical for the area. The attractions of Teesside to the big manufacturers were the availability of flat land, port facilities, and Government assistance, as the Dalton and ICI example show. Since then, these companies have received huge amounts of public money to help finance their expansion.

Companies with facilities in the area include Trafalgar House, Whessoe, Davy, Cleveland Bridge, Northern Engineering Industries. But engineering, in which the UK must compete internationally, has been through difficult times and there have been severe cut-backs and closures. Much of the construction side of work on Teesside is traditionally on short-term contract. Increasingly, big companies choose to hire labour this way as, and when, they need it. For the individual, jobs are available some of the time, but training must be somebody else's responsibility.

There are already exceptions to the dominant employer rule: Marlborough Technical Management, for instance, and Cargo Fleet Chemicals. Then there is the CAD/CAM Centre, a business park in Middlesbrough. Companies moving into the park have access to on-the-spot training and support in information technology from the company set up for this purpose. The second phase of the park, announced only last year, is already taken up, solidly demonstrating the attraction of

a well-planned technology park project in the area. The first phase of another technology park - Belasis Hall - is under construction. English Estates is involved, as at the CAD/CAM Centre, but in this case so is ICI which will provide access to research facilities to incoming companies. There are other pointers to growing economic activity on Teesside. The number of people leaving English Estates' industrial property in the area was down by one third last year. The two most recent quarterly surveys by the Chamber of Commerce showed sales rising, and prospects for improving profitability in the companies surveyed. These are factors which confirm that it is not only the large manufacturers but also smaller which are beginning to benefit from growth in the economy.

Some of the efforts that are being made to build a better structure are Government-led. Others originate in the private sector. But most mix the two in some way or another. The Teesside Development Corporation is probably the organisation on which most hopes are based. Mr Duncan Hall, chief executive since September 1, last year, when the corporation was set up by the Government, reports to a board which includes representatives from the local councils, as well as local business. His intention is to work with the councils, and with the private sector, as the quickest and surest means of achieving both new jobs and new confidence on Teesside.

Corporation plans to take a stake along with the port authority and which ever developer is chosen from the short list now drawn up; an £80m development of the old Stockton racecourse to provide retailing, leisure facilities, etc; and industrial accommodation to be built within the Corporation's operational boundaries, subject to formal approval by the Department of the Environment. "For Sale" and "To Let" signs predominate on industrial land around Teesside. But the supply will become tighter as the Corporation takes out land destined for a nature reserve on the north bank, and other projects designed to make the area more attractive. It is also preparing to plug gaps elsewhere, particularly training. In some respects, the Corporation could act like the development agency which Teesside - or the other English regions - have never had. Encouragement for the enterprise concept is coming from many different bodies and being applied to all age levels. Children in six schools in the Middlesbrough area, for instance, receive help from the Industrial Society - a project

Teesside



The Transporter Bridge over the river Tees at Middlesbrough

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facilitated by chartered accountants, Price Waterhouse. Co-operatives, based on local needs and resources, are being fostered by a Task Force. Local businessmen, working through the chamber of commerce, and local enterprise agencies, are involved in motivating spin-outs, providing skills, for people who have been unemployed for a long time and youngsters who have never had jobs.

Teessiders, by nature, are not particularly militant. Their very fate - from relative prosperity to high unemployment in a fairly short space of time - is met with resignation on the part of many.

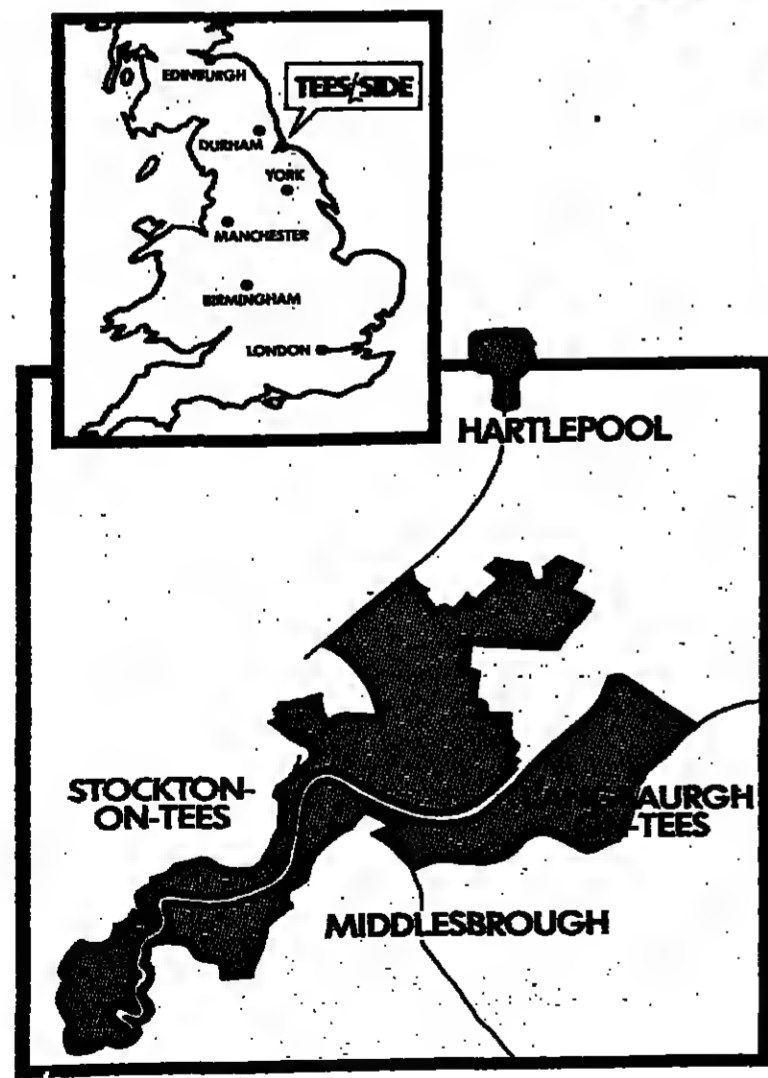
The area does have problems. It is not a region, some say not even a sub-region. So it does not have the white collar jobs that go with that status. Unlike Bradford, for instance, it does not have a lot of historic buildings - Middlesbrough was a Victorian "new town". And it lacks a clear identity. Teesside is essentially a cluster of towns with no obvious centre or focus to them, within the county of Cleveland. As far as its biggest industrial employers are concerned, decisions affecting its future are not made on Teesside but elsewhere. In short, it is a classic branch economy.

On the other hand, it has reasonable success in providing jobs. It also has those big companies, which need to be harnessed to provide the pride which Teessiders often lack.

They are needed to convince outsiders that this is the place to invest, rather than in other competing places, and to encourage the growth of companies which have got off the starting pad. Teesside is pulling itself up, brushing itself down, and getting ready to enjoy its former prosperity - but this time with a wider mix of employment.

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range of initiatives

In place - ICI's biggest UK manufacturing unit - on Teesside - has already taken a technological initiative with its advanced international R & D centre. British Steel's worldwide expertise - on Teesside - also operates one of Britain's highest-tech projects in its advanced high tensile steel testing facility. Davy Corporation's new advanced engineering technologies are pursued on Teesside. Europe's biggest CAD/CAM centre in the Middlesbrough Enterprise Zone - is on Teesside.

Newly launched - Teesside Offshore Base for ocean bed technology. A joint venture between Teesside Development Corporation, Tees and Hartlepool Port Authority, Ugland, Northern Ocean Services and British Telecom International Marine Services to put Teesside at the forefront of ocean bed exploitation technology.

On the stocks - an 800 berth marina, maritime heritage, residential, hotel and entertainment complex at Hartlepool.

To find out how you can participate in the Biggest Development and Investment Opportunities: Contact Duncan Hall, Chief Executive, Teesside Development Corporation, Tees House, Riverside Park, Middlesbrough, Cleveland TS2 1RZ. Tel: (0642) 230636.

'We are setting out once again to be ahead of our time...'

...where you have initiative, talent and ability, the money follows' the Rt Hon Margaret Thatcher, Prime Minister, Teesside, 16 September 1987

TEESSIDE Initiative Talent Ability

TEESSIDE 2

Ian Wigglesworth explains the need to rebuild...

Hope and confidence

My grandfather started work at the Malleable Iron Works in Stockton-on-Tees in 1866. One hundred and twenty years later three generations of the family have given 265 years of service on that same site, now owned by the British Steel Corporation. It will never happen again. The whole pattern of life on Teesside - as elsewhere - has changed dramatically.

In the last thirty years the structure of employment on Teesside has been transformed. The domination by massive enterprises in industries like steel, engineering, shipbuilding and petrochemicals with son following father and jobs being provided for generation after generation has gone.

The main casualties are the large pool of unskilled workers of all ages and those with qualifications and experience but unhappily in their fifties and given what amounts to compulsory retirement.

A large number of other qualified workers have become peripatetic, working on contracts in Scotland and other United Kingdom centres in Europe, the Middle East, North Africa, the Far East and on the oil rigs of the North Sea. Teesside Airport sees a constant stream of fond farewells and present-ideo returns in a way that would have been inconceivable even 20 years ago.

We have seen growth in service industries during that time but at nothing like the same pace as London and the South East and with a heavy preponderance of the jobs - often part-time - for women. This has not been a substitute for old male head of household

employment patterns but it has provided much needed opportunities and incomes for many families.

Despite these dramatic changes, old attitudes and perceptions diehard. One of the North East's greatest problems is its image of itself. Like most North Easterners, I am very proud of our past achievement. But there is a great danger in wallowing in nostalgia for the past and in the hope that more money from the government in London will somehow recreate our former glories. It won't. Only we in the area can do that. Manufacturing can and must thrive. But as a source of direct employment, its decline is inevitable and international.

Since the last general election I have been deputy-chairman of a Teesside-based group of engineering and machine tool companies, John Livingstone & Sons, which was founded in 1853 to make boom for the Stockton & Darlington and other railway companies. I have been operating at the sharp end of industry, instead of just talking about it.

I am utterly convinced that Teesside has the natural resources and people with talent and enterprise to make it a prosperous and successful region with substantial growth and a low level of unemployment. We need the same imagination and confidence of our Victorian forbears who created the boom in the latter half of the last century.

But it cannot happen in isolation. Who you have been knocked down flat by adverse economic and trading circumstances; when you have got

more than your fair share of old declining industries and skills; it knocks the stuffing out of you. You need a helping hand to rebuild the confidence and morale that has been battered by decades of decline and apparent failure. Imagination and hope need to be rekindled. About the virtues of free enterprise and market forces will not cope with that. So thank goodness Lord Young and Mrs. Thatcher recognised that reality before the election and set up a quango to intervene in the market and get things going. I only regret that it was not set up much earlier.

The Teesside Development Corporation has made an excellent start. It has a chairman in Ron Norman who knows the region and the business world, and an energetic chief executive in Duncan Hall who knows the public sector and had a successful track record at Corby before returning to his home town of Middlesbrough. Like the other development corporations, Teesside has two principal features which can bring success: planning powers and money. They are not enough in themselves but they go a long way.

The relationship between the corporation and the local authorities is inevitably a crucial but difficult one. Considering all the potential conflicts and the fact that the local authorities have been elbowed aside, it is a tribute to the Teesside Development Corporation's officers and the realism of local councillors that relations are not as tense as they could be. Within a very short period of



Ian Wigglesworth: TDC has made an excellent start

being set up the Corporation had made its mark. A successful national advertising campaign announced its arrival. Then a series of large, imaginative schemes have been launched or are under way. Not all of them are Teesside Development Corporation schemes and some are controversial but their coincidence has given an all important sense of excitement and impetus. They are raising the hopes and expectations of everyone on Teesside and attracting attention from all round the world.

The Teesside Development Corporation has acted as the catalyst and must keep up the momentum. It is rightly seeking the involvement of the local community and local businesses. I am sure we can respond to the challenge and reverse the decline of recent years.

One final, but very important point. For decades past, we have lost a large percentage of our brightest and best talent in the so-called brain drain. A successful business environment will attract new talent into the area. Not to underpin future success, we have got to expand the educational and training opportunities available for Teesside people of all ages. I hope that the development corporation can make as big a splash on that front as it undoubtedly has with the new developments launched in the past six months.

Prior to last year's general election, the writer was Alliance spokesman on Trade and Industry and MP for Stockton South.

Teesside Development Corporation

Filling a leadership vacuum

THERE ARE many models for economic regeneration in the Western world. Mr Duncan Hall has seen most, advised on many and run one of the most successful - the former steel town of Corby in Northamptonshire.

After eight years in Corby - and still only 40 - he is back in his native Middlesbrough as chief executive of the Teesside Development Corporation. His age, energy and experience are likely to have a profound effect on how the TDC emerges.

The body is one of four urban development corporations set up by the Government after the experimental first two - in the London and Merseyside docklands - had proved their worth. Teesside's can rightly claim to be different: with 19 sq miles of land in its remit, it is bigger than the other six put together.

The corporations are their own planning authorities. They have the coercive weapon of the compulsory purchase order to assemble land for development. Government funds of about £160m over six years complete their authority.

The theory is that once the extra downside risk that discourages private sector development - land assembly, reclamation, putting in roads and services - is removed by the corporations doing the job, so investment should follow.

Given this - and that the TDC only started operations in two rooms with borrowed furniture last September - few would be surprised to find Mr Hall assessing his options, developing his land use strategy, and planning how to get 12,000 derelict or underused acres into operation.

However, he and Ron Norman - the TDC's chairman and a successful private sector developer himself - are doing no such thing.

They are not enthusiastic about "planning". They see the process as subservient to a marketing strategy that already revolves round a few key, high-profile projects. These demonstrate that something is happening and confidence is returning.

Mr Hall says: "If we want to stimulate private investment, people are not going to be persuaded by glossy brochures. They want to see something happening. They have got to

believe things are going to be achieved and are not some mystical vision in the distance.

"We aim to be a catalyst but we expect what we achieve to be demand-led. It's a market-led culture we are in and we are a market-led organisation. We expect to see people respond to the opportunities that exist. If we do that, we cannot be a land use organisation."

He believes that Teesside is a series of opportunities waiting to be seized. In the past, a few big initiatives in chemicals or heavy engineering each had a major impact - and did equally major damage on retrenchment.

He is pushing for a series of smaller initiatives to make a collective, cumulative and more telling impact by virtue of their more broadly-based diversity.

Each opportunity for an initiative is being marketed individually. The first was announced by the Prime Minister when she visited the TDC only 10 days after its birth - a plan to turn the disused Smith's dockyard into a communal base for offshore and ocean bed businesses.

This looked like a PR stunt at the time, but the yard is full already and vacant land around has been brought into use to double its size. Mr Hall expects the present 450 jobs there to be up to 1,000 by the end of the year.

Brookmount, a London property company with retail interests in Cleveland, has grabbed at another of the TDC's "opportunities", in this case finding a new use for the disused Stockton racecourse. An £30m, 1m sq



Duncan Hall, chief executive, Teesside Development Corporation

ft. covered retail and leisure complex is the answer.

But is this the sort of development Teesside needs? The TDC's answer is that there are many jobs in such service industries and it is better that people spend their money in the local economy than take it elsewhere.

Similarly, the TDC has marketed Hartlepool docks as the perfect site for a marina that would fill a gap for weekend sailors working their way along the East Coast. This drew 80 inquiries and 18 formal submissions, of which seven were comprehensive schemes by experienced marina developers.

This picture of opportunities being offered and seized is the rapidly emerging image of the TDC. Mr Norman and Mr Hall expect the mood to be catching, especially if aided by a well-funded advertising and PR campaign. With things actually happening, they hope it will not be seen as hype.

One of the virtues of Teesside's old economy is that there is not much fragmented land ownership so that Mr Hall thinks little will have to be bought. TDC's role will be catalytic, persuading landowners to work together, as at Smith's dockyard.

The role of the TDC will almost certainly then be increasingly one of leadership. There was a vacuum that seems obvious now the TDC is filling it. Unlike London Docklands and Merseyside, there is no antagonism here. Local councils and companies - and even Teesside's MPs - are using the TDC logo on their stationery to express solidarity.

In Corby, Mr Hall saw in £1bn of investment and 476 companies which reduced the ranks of 15,000 redundant steelworkers to 320 in eight years. He sees the TDC's fundamental role as getting Teesside's 46,000 unemployed back to work. The fact that he hardly seems daunted by this may be one of the TDC's biggest assets.

Ian Hamilton Fozzy

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TEESSIDE 3

Ted Marquis of chartered accountants, Peat Marwick McLintock, can think of only three publicly-quoted companies with headquarters on Teesside. It is symptomatic of a major obstacle to faster recovery of Teesside's economy - a long-standing dependence on outside big business that has worked against individual local enterprise.

The problem is structural; big businesses, which once employed big workforces, still dominate the local economy. Mr Marquis says: "What is lacking here is the solid foundation of medium-sized, middle-range companies you get in other places."

Apart from ensuring that a local economy does not have all its eggs in one basket, these are the type of companies which nurture entrepreneurship. People who work in them at middle management and supervisory levels pick up the problem-solving skills they need to start their own businesses.

In places like Greater Manchester and West Yorkshire, where recovery is the most rapid, they have been doing so in greater numbers. There, entrepreneurship is part of the general culture. Numbers of locally-based quoted companies are measured in scores or hundreds. Management buyouts - a Peats speciality in the North West - abound.

On Teesside, Peats has handed just one - and there have been no others. Branch plants and factories are rarely bought out. They are production units with an incomplete range of management and cannot usually stand alone.

The culture is a big-company-dependent one. Successive generations have grown up believing that others will find work for them. Schools have geared their curricula and attitudes that way.

The problem has become increasingly recognised in the last few years. An enterprise industry has been created to try to change the culture, but opinions vary as to how well it is doing.

Teesside has enterprise agencies, a youth business centre, managed workshops and enterprise training in its schools. The idea is to get many more people thinking about self-employment and starting small businesses.

Mr John Colsh of Peats is emphatic about the need, but doubtful that much can be achieved quickly. He says: "In the long term, we have got to create an enterprise culture. In the short term, we have got to pull in entrepreneurs from other areas. Teesside has not even started yet. The Teesside Development Corporation has



Mr Mike Reaney of Cleveland Youth Business Centre (left) and Mr Alan Humble, director of Hartlepool Enterprise Agency; both believe an enterprise culture is beginning to emerge.

New enterprises
Creating a culture

got to act as a catalyst to get things going.
"The secondary role of the TDC is possibly more important than its main one. All it achieves will be dead within a year or two unless we can change the culture. We have got to stimulate a new outlook in the young. It may take two generations to do it."

Teesside's two industrial chaplains, the Rev Bill Wright and the Rev Ray Owen can rightly claim that the start came from the voluntary sector, with half-day sessions in 1979 for sixth formers on the possibilities of self-employment.

Mr Wright says that after several "resistant" years, enterprise training is now widespread in all secondary schools and further education colleges, supported by Durham University Business School, BSC Industry, the Department of Trade Industry and NatWest.

According to Mr Mike Reaney, a 32-year-old chemical engineer, seconded from ICI to run the Cleveland Youth Business Centre: "We have a generation going through the schools now which is more aware of the

world of business.
"The most significant change I have noticed has been at careers conventions. The schools which run an active education for enterprise programme are very different from those which don't. Their kids are always much more interested in what we have to say and offer."

Significant too, he believes, is that the more middle-class schools have picked up on the idea faster than those whose catchment areas are where Teesside's unskilled working people have come from.

The centre has helped to establish offices from Peats' old offices in Middlesbrough town centre. The Government's local task force gave £240,000 to do up the building, which has training and counselling rooms, offices for advisers, and 18 managed units for small businesses started by people in the 16-25 age group.

The units range in size from 150 sq ft to 350 sq ft. Rents vary from £8 to £12 a week for first nine months, rising to £12-£18 for the second nine

months and £24-£32 thereafter. Mr Reaney says: "We don't want them here for more than two years. They should be able to stand on their own feet then and make room for others."

Mr Reaney believes that every young person should at least consider self-employment, but he is equally aware that it is not for everyone. The centre has dealt with 800 initial inquiries in the last two years, all requiring at least one counselling session each, but fewer than 90 have made it to start-up.

Often, help has come from the Prince's Youth Business Trust, which can give grants of £1,000 and soft loans with interest rates in the 5-10 per cent bracket of up to £5,000. But the applicant has to work hard for them.

According to Mr Reaney: "A lot of people come along who have no idea. They just want the money. Once they realise how much work is involved they give up. We want to see a business plan and cash flow forecast. We don't want to make it too easy because we want people to succeed."

"We are trying to identify individuals with ideas and the commitment to make them work. Those who have it will start up. Those who don't, won't. It might take a year or two to get going, but those who can will make it in the end."

Mr Ron Preece, who runs an enterprise and training agency called HANDS - Hartlepool New Development Support - says: "The key is when people survive and are seen to be successful. National failure rates are not acceptable in an area like this. We have kept track of 126 people who started businesses in 1985 and 109 are still going."

He believes that when someone survives in small business, neighbours will be encouraged to have a go too. He lays great emphasis on training before start-up, so that people will know what to expect, and aftercare via economically priced book-keeping and computer services offered by HANDS.

He believes that an enterprise culture is beginning to emerge in the area, although Mr Alan Humble, director of Hartlepool Enterprise Agency and the BSC Industry man who started off the revival of Consett, is less optimistic.

"There are about 93,000 people in Hartlepool," he says. "The working population is about 40,000, and 25,000 jobs have been lost among big employers in less than one generation, the majority in the past 10 years."

"You cannot solve that sort of problem by growing small businesses within the community. People are not used to working for themselves and the local markets are not big enough."

He works hard with local authorities, development agencies and Government departments to encourage more inward investment by medium-sized or expanding smaller businesses so as to broaden the industrial base, fill the gap in the middle, between big and very small businesses, and help create an industrial market for new small businesses to sell to.

To the Rev Bill Wright, it is all part of trying to change a culture which he once described to the AGM of Business in the Community as "deeply anti-entrepreneurial."

Meanwhile, the figures for youth business start-ups suggest that the majority will continue to be dependent and expect work to be found for them. The hope of the optimists is that the broad middle ground of medium-sized companies will fill quickly enough to offer all of them jobs in an imaginable timescale.

Ian Hamilton Fazey

Space to grow



Ian Hamilton Fazey profiles the work of Hartlepool Workshops and manager, Mrs Barbara Eison

STEVE REDMAN had a head start over many Teesside people when it came to entrepreneurial flair. His parents had run their own small business - an off-licence - for as long as he could remember. He knew what was needed and what to expect.

He also knew what not to do, so when the glazier who employed him started making mistakes and having difficulty paying his wages, Mr Redman, who is 25, started making plans of his own.

He had watched the glazier's business - making up glass to order for double-glazing companies - and reckoned he could do better. Armed with just £1,500 he set up as a one-man operation in one of the smallest units in Hartlepool Workshops.

That was last May. Today, he has expanded into one of the workshops' larger units and employs seven people. His main competitor - and former employer - has gone bust. His turnover is at £10,000 and accelerating and his accounts show £8,353 profit for his first six months.

He now wants to keep expanding without employing more people, so is ploughing money back into labour-saving machinery. The mark left by parental discipline is also clear: he has done all this without borrowing a penny. "The bank owes me, not the other way round," he says proudly.

Mr Redman's success is one of the justifiable boasts of Mrs Barbara Eison when she conducts visitors round the workshops she manages for BSC Industry. Hartlepool's were the second started by British Steel's job creation arm after the success of those on the Clyde.

Mrs Eison is herself BSC Industry's own proud boast as the first woman workshop manager. She has been there from the outset in 1979, first as deputy and then taking over four years later.

Her success in helping a wide range of, mainly, male small business operators has banished any qualms in BSC Industry about putting another workshop complex - Coatbridge in Lanarkshire - under female management too.

Mrs Eison makes light of it, but since personality and persuasion have been her main weapons in helping businesses survive and grow, her gender, charm and social skills must have counted for something.

Nearly 100 businesses have now passed through the workshops and 85 per cent have been successful. Her work has often involved persuading men who kept their business plans in their heads to write them down on paper, analysis sheets or - now - into the workshops' own mini-computers.

Mr Redman was one. She says that out of such simple proce-

dures comes analysis, control, better management and a reduced risk of a business running into trouble.

Her own first contact with management was no training for small business life, since it was as a secretary with British Steel. She ended up as personal assistant to the general manager of Hartlepool steelworks. The run-down of the industry sent her into part-time study to qualify as a teacher but she abandoned her plans when the workshops job was offered.

In closures and restructurings it is usually breadwinners who are seen to first. "There were no opportunities for women," she says. "We faced redundancy. I was offered something completely different and I leapt at it, though with bated breath. I came in and worried about it being just a seven-day wonder."

The days have become years for the workshops and most of the businesses that have rented space in them. There are two buildings, the first a purpose-built block of 12 units and the second a conversion of an open-plan timber warehouse into a 27-unit complex.

Unit sizes range from 350 to 7,000 sq ft. Rents range from £2.91 per sq ft down to £2.20 for larger units. Easy in-easy out leases mean that there are no ties. Occupancy is kept around 80 per cent to enable growing businesses to expand without moving off site.

A few have stayed all the time, but the average tenure is about three years. One light fabricator started with five people and left with 35 so that he could expand up to 60. Mrs Eison persuaded Sir Charles Villiers, BSC Industry's chairman to open his new factory.

There are 256 people employed by tenant businesses at present but the number grows by the week. They can talk to each other in the communal cafeteria - itself a tenant small business - and use a well-furnished boardroom to meet clients or do paper-work.

They can also get Mrs Eison's opinions, like the maker of heavy industrial garments who is diversifying into pet beds shaped like giant boots or miniature houses. "It looks like a winner," Mrs Eison declares.

"I run this place like a small business in itself," she says, analysing her own success. "I keep in close contact with my customers and practise what we preach. It seems to work well."

Ian Hamilton Fazey

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HELPING · CREATING · DEVELOPING

Ian Breach charts the recovery in ICI's fortunes

Out of the ashes

IN 1982, ICI on Teesside confronted what, for three decades in the region, had been unthinkable: cutback, closures, and redundancy. The exchange rates on which commodity chemicals depend for a profitable market had moved inexorably against the company - and the severity of the slide was awful to contemplate.

In its worst period, the region's industrial pace-setter built up an operating loss of more than £138m, and in a community whose industrial fortunes and social infrastructure are dominated by ICI, a convulsion of foreboding ensued.

The stocktaking of ICI's Teesside operations lasted for three years and was undoubtedly the most painful experienced since the formation 60 years ago of ICI from its old constituent redundancies. It put to the test all the company's philosophies as a "good" employer and forced the pace of change dramatically.

What, until then, had been a programme of steady and systematic review of management responsibilities became an urgent and wholesale rethink of the entire structure and strat-

egy. People had to go and, across the board, some 5,000 jobs disappeared, though it still left ICI at its Wilton, Billingham, and North Teesside plants with a workforce of more than 18,000.

Typically, for those who know the company, some of the best managers and supervisors were charged with helping their colleagues to find work elsewhere. Consultation was open and complete. The seriousness of the company's position was subordinated, where it could be, to the individual trauma of job loss. As a result, there was not a single enforced redundancy during the process of reconstructing ICI - which is all of a piece with its overall labour-relations record locally.

Out of the ashes has come the Chemicals and Polymers Group, in which Teesside accounts for more than three-quarters of the Group's 38,000-strong UK and European workforce.

Incorporating four of ICI's mainstream operations, including the badly-sailing agricultural division, C&P is now responsible for fertilisers, chemical products, petrochemicals, plastics and catalysts, and technol-

ogy licensing. Though it is said that, 20 years ago, a quarter of a million people relied directly or indirectly for their livelihoods on ICI's presence on Teesside, the company still pays the wages and salaries of more than one in ten of the working population.

The new Group has a re-layered management structure. "There's more headroom for everyone now", says Nigel Clark, "and the company's the better for it."

With the reappraisal of technology, the role of their European manufacturing base clarified, and marketing strategies all redrawn on a clean slate, C&P is now undertaking a £500m investment programme on Teesside, allied with a coherent cross-over of the science- and business-led sides of the operations. More efficient use is being made of plant and resources, with far less duplication of production facilities going hand in hand with a greater sensitivity to new markets.

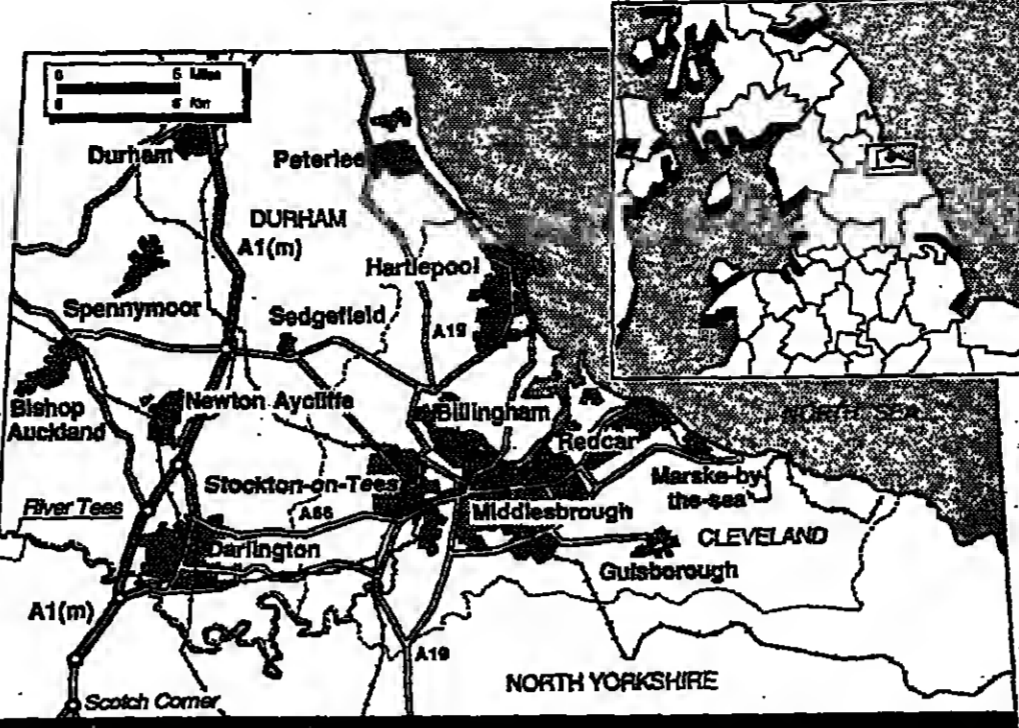
This is happening against a background of asset disposal, including petrol retailing, the US petrochemical partner, and

the film-wrap business, Viskene, at Stockton.

ICI knows a lot about catalysts, and not only the chemical variety made at Billingham, which helped gain it a Queen's Award for Export Achievement last year. Acting as a social catalyst is also very much a part of the company's outreach with Nigel Clark being both a member of the board of the UDC and chair of the local Business in the Community venture. He sees this as a focus for finding new jobs.

The Group as a whole has also taken on far more than its purely arithmetic share of young people on MSC schemes. Currently there are 800 working for ICI locally.

The impact on Teesside's economy of ICI cannot be over-



estimated. In local authority rates alone it pays more than £1m and spends many millions more on supplies and services within the sub-region. There's a pride in its presence and its power that, if anything, is stronger than before the 1982 crisis.

The local press made much of the fact that, in 1986 and after a great deal of indecisiveness, the company chose Wilton as the site for an advanced materials research facility, a £7.5m centre which now services Japanese and American operations and employs 200 PhDs.

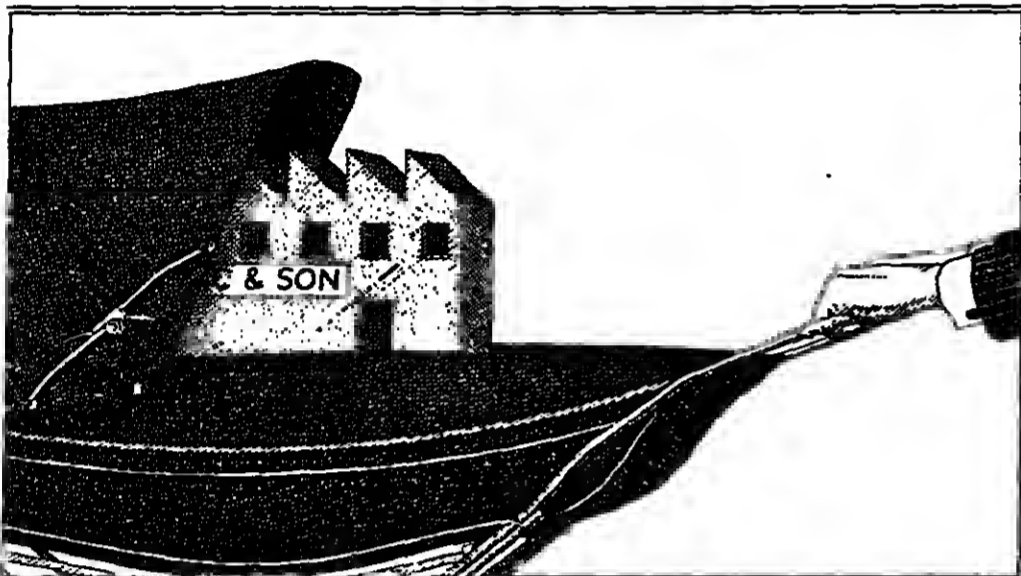
With national overproduction of food and uncertainty about the long-term environmental effect of agrochemicals, the fertiliser business remains a problem, but on a wider canvas, the

ICI picture on Teesside is a "bright one. No radically new technologies are envisaged - more a continuous honing of existing ones. Employees will be encouraged to make greater individual contributions in ways that previous company structures did not always permit.

Conventional demarcation has seldom been a problem anyway, but, as Nigel Clark points out, "we have authors, magistrates, people with myriad skills and knowledge that can be tapped both inside and outside ICI." If that expertise can indeed be deployed, then - on the back of the company's regenerated commercial buoyancy - there will be proof that the old ICI philosophy has come into its own.

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Steel Industry Deathbed recovery

FOR A single, simple sentence that sums up what is now happening to the steel industry in the North East, one can do no better than borrow the words of Michael Morley, business editor of the Middlesbrough Gazette: "Who would ever have thought it?"

For the fact is that BSC, having gone through a prolonged agony of contraction and closure, is performing excellently in the region. The Northern Division's output and productivity in 1987 were an all-time record, and the Corporation, possibly in its last full year as a nationalised undertaking, is on track to do better still in 1988.

Nine years ago, the steel industry was strike-bound, its main markets were evaporating, and its expansion plans were being tossed aside. In those bleak, black days, when the prospect of keeping BSC alive ran into millions of pounds a month, nearly 23,000 North Eastern steelmen were on the Corporation's payroll. Today, the figure is down to fewer than 7,000.

As at ICI, the job cuts were universal, the management trimmed and realigned as well. Successive closures concentrated minds no less than they did manpower, for the new thinking that emerged from disaster has produced dramatic results. In 1979, it took fourteen man-hours to make a tonne of liquid steel. In 1988, the figure is 3.7 and falling. And in the same period, BSC

has regained its reputation for quality and delivery. As a deathbed recovery story, it takes some beating.

In 1967, the Redcar-Lackemy works turned in larger profits than any other in the Corporation and steel workers on Teesside took a Christmas holiday with £500 each in their pockets. Mr Danny Ward, director of the General Steels operations on Teesside, is cautious, noting redoubled competition from the manufacturers of substitute materials; and the greater than ever need to tailor products to markets.

Following American and Japanese practice, BSC has instituted a Total Quality Performance programme into its national and local working agreements. The effects, if recent plaints from major customers like Caterpillar and from Lloyds Register are any gauge, are already coming through.

Total Quality means getting it right first time - from market assessment to delivery - but it obviously also includes the physical quality of the steels themselves.

The workforce has adapted to the new corporate structure, to technological advance, and to the need for a collective striving for success. But there is still some way to go, says Mr Ward. He is keen to see more integration of workgroups: if that sounds like an over-the-shoulder reference to

Nissan in Washington, so is his hinting at the further changes in the conditions of employment he thinks should come about.

Increasing use of structural steel has been partly responsible for BSC's turnaround. The new building on the Isle of Dogs in which the Financial Times will soon be printed is being constructed around 1,500 tonnes of Teesside steel. In the North East, the division's products have gone into the making of the Gateshead Metro shopping complex, which took 20,000 tonnes of steel, the BBC's new studios at Fenham in Newcastle, and in the growing Nissan plant on Wearside.

BSC courses for designers, developers, and architects are paying dividends throughout the construction industry. London, in BSC's advertising and in fact, is being rebuilt with steel, which goes into half the new buildings of two storeys or more.

The way ahead, according to Danny Ward, involves further penetration of this market, meeting the new production-engineering approach to building design. That means more investment in plant. Though he wouldn't put a figure to the amount of investment capital required, it is being considered at BSC headquarters and is "a hell of a lot of money."

Ian Breach

Beneficial spin-out

EXAMPLES abound of the beneficial side-effects flowing from the changes at ICI. One can be seen in Cargo Fleet Chemicals upriver at Yarm which is now building new headquarters in Middlesbrough.

The company, which was launched in 1973 with three staff, now employs 200 and has a turnover of £24m in mainly ethylene-based products.

Part of the ICI and Everard group, CFC products are formulated, blended, and distributed for the household and automotive markets - dishwashing liquids, fabric softeners, shampoo concentrates, degreasing fluids, antifreezes, and general surfactants.

Mr Bob Porter, deputy managing director, says that with ICI's shift of emphasis in product range and marketing - its move away from small bulk and drum deliveries, for instance - CFC took up the slack. Since there was already a distributor agreement with the chemical

major, it made sense.

ICI asked CFC to develop antifreeze sales in a market then dominated by Bluecol. That strategy, together with manufacture and packaging of brake fluid, has made CFC a leader in its field and a significant example of

medium-sized industrial success in the region. The company has never made a loss.

At one time, there was some temptation to move. But with labour, and the region's justly acclaimed transport network all in the company's favour, staying put and expanding locally was inevitable.

Bob Porter echoes the message from every other executive in this part of the North: "Why live and work in Reading, with a £4m house and road throng, when you can live in a Yorkshire village and be in the office in twenty minutes?"

The Middlesbrough headquarters represents a £1m investment for CFC. On top of that, a £150,000 computer retrofit is going on for a firm that now handles and stores 140,000 tonnes of chemical products a year. And, with two new laboratories, CFC is now working on new chemicals to improve yields from coal washeries and for the sugar-beet extraction business.

Bob Porter says there never was any doubt about the attractions of Teesside. "But now we know for sure that we're part of an emerging climate of confidence."

Ian Breach



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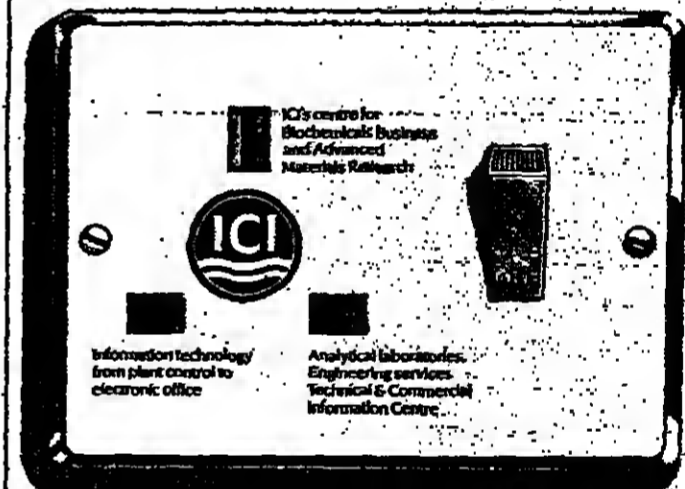
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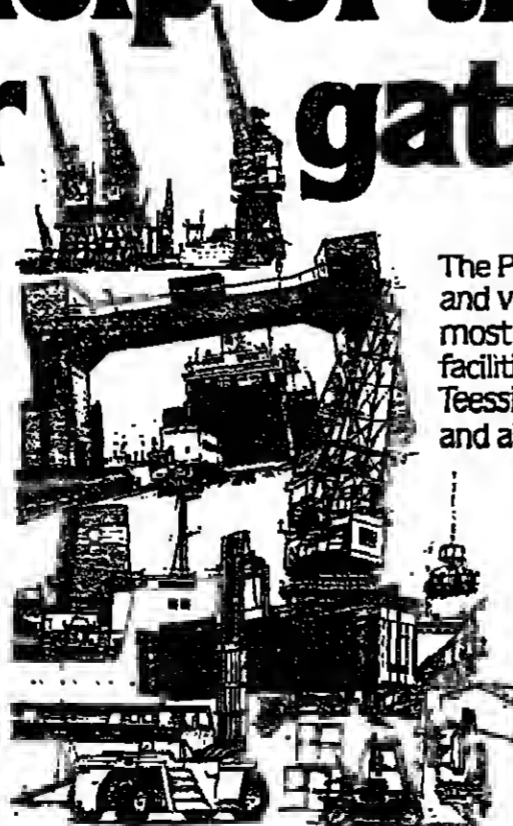


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صيانة من الواصل

TEESSIDE 5

profile: Davy McKee

Innovative engineering

NOWHERE is there a more ebullient atmosphere on Teesside than in the Stockton headquarters of Davy McKee. A positive air of success radiates from Ashmore House, which is hardly surprising for a company that has been one of the most consistently profitable and innovative parts of the parent Davy Corporation.

But there isn't a trace of complacency. Mr Roger Kingdoo, chief executive, had only just returned from signing a \$30m blast furnace construction order for Korea; he was about to depart, with Lord Jellicoe, the company chairman, for Brazil, Chile, and Mexico to review and develop Latin America's share of Davy's global operations.

Stockton has always been a key centre for the company's international operations, particularly those associated with the precious metal industries, the extraction of coal and precious minerals, and the nuclear power and reprocessing business.

More than half the nuclear power installations in the UK have been provided with the construction, equipment, and engineering services by the Corporation, and Davy McKee Nuclear now has a significant role in tackling Sellafield's effluent treatment, waste encapsulation, and spent-fuel handling problems for British Nuclear Fuels.

On their own side of the country, Davy McKee secured a major order last year for a ladle-arc blast furnace facility at British Steel's Lakenby Works, strengthening its iron and steel-making links inside the region.

Davy McKee's activities have been and still are pivotal to the Teesside economy. As the fourth largest process engineering contractor, employing 1,700 people in the sub-region, its difficulties have generally been fewer and less severe than those of its major industrial neighbours.

Relations with the workforce are good and opportunities for graduates exciting; inevitably for a company with such worldwide links, foreign travel and secondment are a key part of the job for many Davy managers.

Although Davy McKee has a strong and thriving relationship with Teesside industry and

commerce, there is a desire to improve and develop the part it plays in the region's municipal and educational networks. Mr Kingdoo is currently holding discussions to this end with the local City Technical College.

At the moment, the links with higher education and university research are most prominent in Sheffield, where the company's metal-forming heart resides, and in Cardiff, where joint R&D schemes are looking at biotechnology and microbial applications - notably for a major demonstration project in Linabaw for increasing ore yields.

There's also strong support for the new initiatives being put forward by the Development Corporation - seen as the most promising engine for a true regional growth strategy.

Davy McKee, like the other principals named in the original study for the Teesside UDC, would be both benefactor and beneficiary of its success.

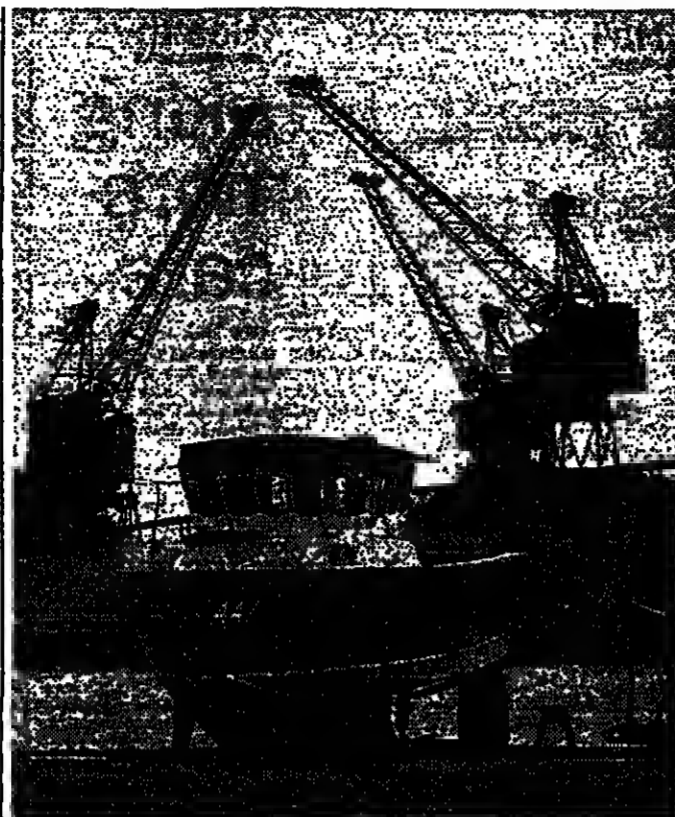
Davy McKee has a peerless base for diversification, and the future holds attractive prospects, especially in the research and development of new materials and processes. The company is examining the potential for using magnesium as a vehicle body material and the possible use of more butane-based products. It is also taking what Roger Kingdoo calls 'a blue-sky look' at other ceramics.

But the manufacture of iron and steel is likely to remain at the centre of attention. The blast furnace has never been bettered as the fundamental process for bulk production. It is Davy McKee's plan to push that technology even further.

The company has taken its share of the afflictions brought about by international currency upheavals, oil prices, and the devaluation of the pound. As a result, says Roger Kingdoo, it now has a different management style, decentralised wherever possible, more aggressive in marketing, and closely attentive to world trends in the political economy.

"We can't go on increasing turnover at 25 per cent a year, of course", he says, but as the annual report notes modestly, Davy's quality, broad scope of technology, and expertise "gives confidence for further progress."

Ian Breach



Tees and Hartlepool port: a real recovery

Port authority

Resurgence in activity

THE RESURGENCE of Teesside as a major industrial area is written large in the affairs of Tees and Hartlepool Port Authority.

For a decade and more, many of its activities had been moribund or loss-making. One - Tees Dock itself - had not made a profit since 1963. Last year, the Authority turned in a profit of £7.6m, and this year expects to top that comfortably.

Within the THPA's domain, every regional success or failure is clearly registered. In turn, the outcome of the THPA's considerable efforts to market itself is material to the industrial well-being of its hinterland. The River's mouth tells a convincing story now of real recovery on both counts.

Mr John Hackney, the Authority's chief executive since last year and an employee for more than twenty years, is now sure that those who detect a new spirit of enthusiasm and hope on Teesside are not whistling in the dark and that the recovery is neither tentative nor temporary.

A waterway that was in decline (though still part of Britain's third biggest port) is beginning to bustle once again. Steel exports and timber imports through the port in 1987 were up by 50 and 60 per cent respectively. Bulk cargo traffic doubled. RoRo movements increased by 15 per cent.

These achievements were part of a vehement marketing style initiated by the former chief executive, Mr John Tholen and propagated with equal verve by Mr Hackney. Within weeks of taking over, he had put an end to the pussyfooting overtures from a variety of groups interested in buying the closed Smith's Dock and had signed a deal to purchase it for the Authority.

This yard, now being completely refurbished as the Tees Offshore Base, employed more than 1,000 workers at the time of closure in 1986. Its resurrection is one of the strongest symbols of hope there can be in a place where some neighbourhoods have six men out of ten on the dole.

Like many of its customers - ICI is a good instance - the THPA is successfully mounting a business plan that has two strands. The first is to consoli-

date and strengthen those activities for which it is best equipped, rather than attempt to recapture lost or naturally dwindling markets. The second is to generate new ones.

Timber is a good example of the first, Tees Offshore Base, the second. Forestry products traditionally came in from Scandinavia: good, steady business involving technology and working skills that were well developed on Teesside and relied upon by shippers. Mr Hackney's commercial team looked for business that never traditionally came their way. Now they are importing wood from America and Canada.

Then there was Nissan. No newcomer to Teesside, the Japanese car maker has been using the port for 16 years. Datsun models were imported here long before Britain woke up to the fact that they were on their way to taking 10 per cent of the market - and well before the negotiations that brought the Nissan UK manufacturing plant to Washington.

Other ports - including Sunderland and Immingham - would have liked the business, but they stood little chance against Teesport's entrenched and fault-free record. It was only natural that a £2m expansion of the dock facilities ensued. A history of importing more than 1m Nissan vehicles now yields to the prospect of exporting the same company's products to Europe.

A similarly happy reversal can be seen in the case of oil, which, together with gas, is now shipped out of the Tees. Phillips Petroleum, with handling capacity of 1m barrels of Ekofisk crude a day at its Teesside terminal, pays harbour dues of more than £2m a year.

Overall, the traffic through the THPA's sector amounts to 30m tonnes a year and entails 30 major shipping movements a day.

Looking ahead, Mr Hackney is impatient for developments at Cargo Fleet Wharf, Seal Sands, and the Shell and Leathery's sites to be completed. He is certain that over the next two years investment will flow in to exploit the land and river facilities newly available.

Ian Breach

ICI Chemicals & Polymers

WORLDWIDE FROM TEESSIDE

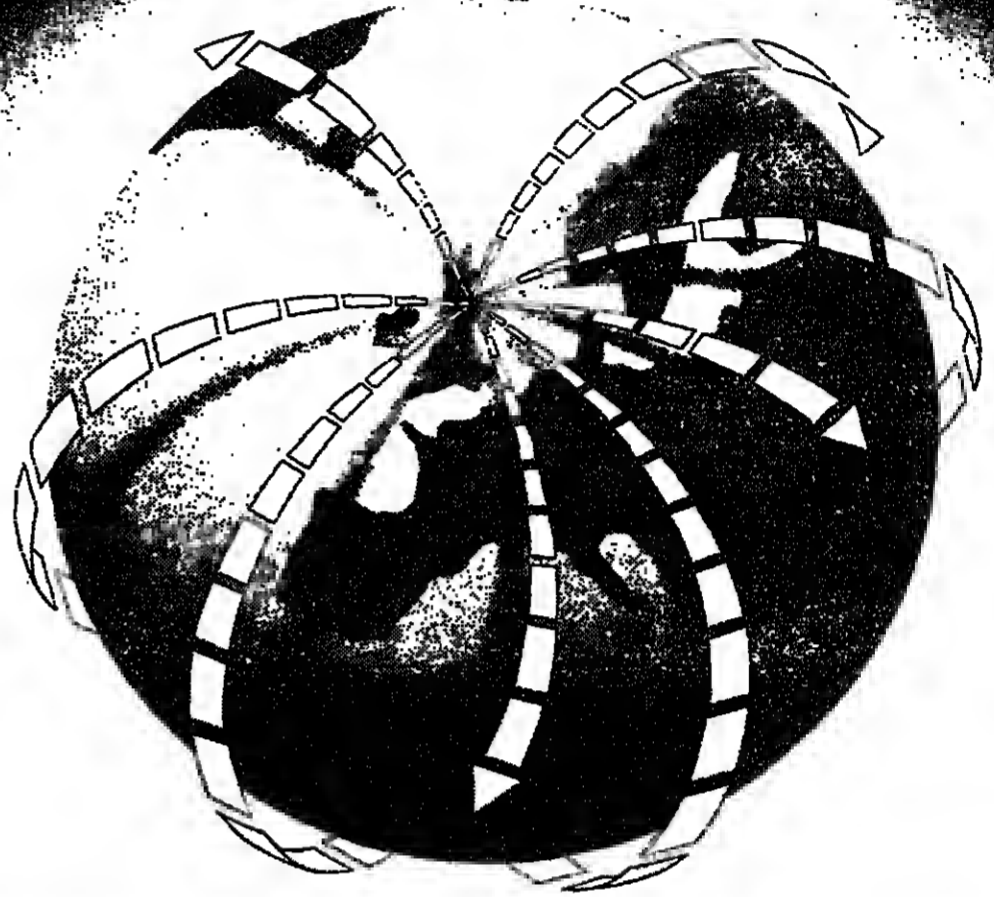
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● STEEL EXPORT TERMINAL Celebrated an important milestone on Monday 21 December, when 1987's millionth tonne of steel was despatched - the best annual performance since the Terminal was commissioned in 1974.

● REDCAR COKE OVENS Produced 1,253,135 tonnes of dry coke in 1987.

● HARTLEPOOL 44 INCH PIPE MILL Produced its millionth tonne of pipe since being commissioned in 1988.

THE MULTI-MILLIONAIRES

● BLAST FURNACE PLANT Redcar, tapped its two millionth tonne of molten iron on Friday 17 April, the three millionth tonne on Wednesday 12 August and the four millionth tonne of iron on Thursday 10 December. All achieved during its second campaign, which started when BSC chairman Sir Robert Scholey relit the furnace on Tuesday 12 August 1986, following a £50 million rebuild and relina.

● COKE OVEN PLANT Redcar pushed its four millionth tonne of dry wharf coke at 7.05am on Friday 18 December since Battery 1 was commissioned on 25 June 1984 and Battery 2 on 13 October 1984, a world ranking performance.

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TEESSIDE 6

Property

Big factories to the fore

ENGLISH ESTATES North, the biggest developer of new industrial property on Teesside, has a portfolio of over 400 units totalling 3.16m sq ft in 14 parks and estates, and 97 per cent of the space is let.

"For the first time in 10 years we've not got a large unit immediately available," said Mr Peter Watson, the area manager.

Storey Sons and Parker, chartered surveyors, have, for the first time for six years, been holding private tenders for available industrial property. In the past, there would be only one company interested, explained Mr Ian Bettle.

Here then are the signs of revival in a market which has been through the doldrums. But it is a mistake to talk of a boom. Demand for industrial property is stronger in the inner areas of Middlesbrough, for example, than it is in the outer areas. "Space is tight inside and loose outside," said Mr Bettle.

But rents are not high enough to tempt private sector developers into the market outside the Enterprise Zone, despite Wynyard Hall, described in the accompanying article, and a Paul Caddick venture alongside the A66, near Stockton.

In inner Middlesbrough, industrial rents run between £1.50 and £1.60 a sq ft while in the outer areas they are in the £1.20-£1.40 range. Yields run from 14 to 18 per cent, suggesting that the level of investment demand remains at a low ebb.

When it comes to high tech property like the first phase of Belasis Park, the joint ICI-English Estates North venture at Billingham and Riverside Park, in the Enterprise Zone, where the focal point is a CAD/CAM centre, then the rents would be

more like £3 a sq ft for 6,000 sq ft.

It is significant that all the properties on Riverside Park are either taken or spoken for and that pre-lets have been taken on units at Belasis Park, where space is available in units running from 160 sq ft upwards.

Although English Estates North will this year be making one of its priorities the construction of managed workshops to tie in with the Government's inner cities revival programme, the emphasis on the market has been to larger units.

"After virtually five years when activity was largely confined to the smaller end - workshops and small factories - medium-sized companies are now looking for new premises and extensions," said Mr Watson.

This means that English Estates North will be concentrating in the immediate future on bespoke units and that speculative schemes will go on the back burner. But it intends to build three units, for completion by the end of the next financial year to take advantage of the demand for tax shelter investments in the Enterprise Zone from high rate individual taxpayers.

This activity on the industrial side contrasts with the office market, where there is little interest and virtually no development. With office rents under £3.50 a sq ft and developers believing that the market should produce £5 or £7 before they commit themselves, the outlook is flat.

Most of a surplus of 150,000 sq ft two years ago has been taken up. "I've had three enquiries, each for 20,000 square feet and I had one last



The modern face of Teesside retailing: the Cleveland shopping centre in Middlesbrough

Paul Cheeseright

Wynyard Hall

Business park in rural setting

WYNYARD HALL is to urban Teesside what the squire's house was to the traditional farming village. They are worlds apart in style and expectations. Yet they share the hard times. The cash ran out to keep Wynyard Hall as a stately home. The recession sent Teesside reeling. Both are searching for new economic roles.

The Londonderry family owned Wynyard Hall until last year. Built in 1820 and then re-built after a fire, it was the classic monied country palace, built on the wealth of the coalmines. But the rolling 6,400 acres estate with its farms, woods and lakes could never produce enough revenue on its own to maintain Wynyard Hall as a home. It was quietly put on the market.

Now, just as Teesside is trying to strengthen its slumped down traditional industrial base and bring in new activity, so Wynyard Hall is looking to a future which eschews farming and embraces commerce - not any business but white collar, lounge suited commerce.

The new owner is Mr John Hall, whose family company, Cameron Hall Developments, realised the MetroCentre at Gateshead. Not a man to hide his aspirations under a bushel, he sees "Nissan and Wynyard Hall as the fulcrums for the North East." This year he will spend £500,000 on promoting Wynyard Hall.

His target is the international corporate sector. His bait is business park accommodation in a country setting, supported by the sort of leisure and sporting facilities that senior executives are supposed to like and which chime with the stately home ambience.

This is not a wholly new idea.

Mr Nicky Phillips is adopting a more limited approach to the use of a stately home's estate at Luton Hoo. But the scale is new in Britain.

The 5400 acres of the estate, in a corridor flanked by the A1(M) and the A119 are neatly bisected by the A689. On one side there would be up 7m sq ft of business park, campus-style office accommodation, with equestrian and shooting facilities. On the other, a hotel next to the stately home, the golf courses, housing and a lake large enough to accommodate Olympic rowing.

All of this depends on the agreement of five planning authorities - the Durham and Cleveland county councils, the Sedgefield district council and the Hartlepool and Stockton borough councils. Ultimately, the Environment Secretary will have to decide because the whole scheme is a breach of the local structure plan. And here comes the planning snag.

Interested first in the effect of the plans on tenant farmers on the estate, the National Farmers Union is now concerned about the use of agricultural land for business use and appears to want to use Wynyard Hall as a test case of the Government's new policy on alternative use of agricultural land. The Council for the Preservation of Rural England is none too pleased either.

The whole scheme could cost £500m over ten years. Mr Hall intends to put up the first £10m from his own resources, after which he will use bank borrowing and revenue from land and house sales on a 999 years lease to fund future development.

P.C.

Health

Taking more care

LIVING ON Teesside can be either extremely good or extremely bad for the health. Recent studies have shown that the area has some of the greatest health disparities in Britain.

A study carried out by Cleveland County Council with the support of the county's three district health authorities shows that premature mortality rates within the county can vary from 30-40 per cent below the national average to 60 per cent above. These variations are believed to be among the greatest in Britain.

The council and health authorities are particularly concerned about the high mortality and poor health record of an area along the Tees, stretching from Redcar through the inner wards of Middlesbrough to North Thornaby and inner parts of Stockton.

"In terms of premature mortality - deaths under 65 - this belt of land, mainly along the South bank of the Tees, had particularly high death rates for lung cancer for both sexes, and for circulatory and respiratory diseases amongst women.

By contrast other - mainly more suburban and rural - local government wards in Teesside enjoy remarkably good health records.

The study concludes that there is a strong link between the health record of parts of Teesside and other deprivation which the area has suffered in recent years, whilst recognising the significance of individual factors such as diet, smoking, drinking and exercise.

A series of initiatives has been launched in the wake of the study to try to persuade Teessiders to take more care of themselves. North Tees Health Authority has set of a health service/local authority group to prepare a co-ordinated attack on health inequalities. The county council's education catering service has improved the health content of school meals, and adopted a policy of using healthy ingredients in teaching home economics.

A recent experiment conducted by Dr Geoffrey Marsh, who heads a large general practice in Stockton, suggests that, with sufficient effort, it is possible greatly to improve deprived patients' use of preventive medical services.

"A system of careful record-keeping, writing to patients, using health visitors and sometimes carrying out preventive care in patients' homes raised the use of the preventive services in a deprived area of Stockton to a generally higher level than in a neighbouring more affluent area.

"The experiment demanded considerable staff resources, but it will show measurable benefits," says Dr Marsh.

Alan Pike

Higher Education

Industry links expand

THERE IS no university on Teesside. The task of carrying the flag of higher education and fostering education-industry links within the area goes unserved by Teesside Polytechnic.

To this end, the polytechnic is a member of HESIN - Higher Education Support for Industry in the North. This is a project under which five centres of higher education in the North East are attempting to expand their contribution to the region's economic growth. Teesside Polytechnic's partners are Durham and Newcastle Universities, and the polytechnics at Newcastle and Sunderland.

HESIN was formed five years ago to make the five institutions' research and training expertise in science and technology more accessible to industry, both locally and nationally. It has proved successful as a single point of contact between higher education, industry and public bodies and is expanding its activities following the provision of Department of Trade and Industry financial support for the appointment of a full-time administrator.

Involvement with industry at Teesside Polytechnic goes back to its foundation as a technical college in the 1920s with funds from Joseph Constantine, a ship-owner. Today it has 4,250 full-time equivalent students and eleven academic departments plus one of its most famous features, the School of Information Engineering.

Teesside Polytechnic is one of the largest, centres for computing science and related studies in Britain. The School of Information Engineering combines the disciplines of computing science, information technology, electrical and electronic engineering, and instrumentation and control engineering in a more flexible way than within a traditional academic departmental structure.

The possibility of establishing an applied research institute in advanced manufacturing technology and information engineering, functioning as an autonomous unit within the polytechnic is under consideration. Teesside, in conjunction with the neighbouring Sunder-

land Polytechnic, also has a national reputation in biotechnology. Teesside and Sunderland have been designated by the National Advisory Body for Local Authority Higher Education as one of two national centres (along with the South Bank Polytechnic in London) for biotechnology development. This will be based on the chemical engineering department at Teesside and the biology department and pharmaceutical sciences faculty at Sunderland.

Initial funding from the Department of Trade and Industry and Manpower Services Commission has enabled Teesside to launch a new product unit, which will offer small and medium-sized businesses the services of the polytechnic's skills in design, market research and other areas to help entrepreneurs develop and promote new ideas. It will eventually become self-financing.

A team at the polytechnic has also designed a new type of emergency tender currently on trial with Cleveland Fire Brigade. The county owns the patent, and it is hoped that production of the fire appliance will eventually lead to royalties and jobs.

Teesside, like other polytechnics, is faced with an end to local education authority control and the introduction of corporate status in April of next year. The polytechnic is seeking to initiate a development programme to help meet the new circumstances.

Developments under consideration include a regional conference centre in Middlesbrough as part of the polytechnic's efforts to expand its relationships with outside organisations, and the establishment of a Teesside Innovation Centre. This would bring together the polytechnic's expertise in design, media and marketing and include provision for small businesses operating in these fields.

Alan Pike

Which skin care would he recommend: natural oil or water?



You wouldn't expect red hot metal and oil to be an entirely safe combination.

Yet everyday in heat treatment shops, metal forgings heated up to 900°C are plunged into baths of mineral oil-based quenchant.

Not surprisingly, huge billows of acrid smoke and noxious fumes well up. They've become an accepted part of the job for the men who work there.

Sometimes a particularly violent reaction gets completely out of hand and entire factories have been razed to the ground by fire.

The scars from such "flare-ups" and the literally "hellish" working conditions have left their mark on many a man's skin.

It's a situation that's continued because it seemed there was no more efficient way to cool and harden the metal to produce optimum strength.

Water-based quenchants, a much safer and more acceptable alternative, always cooled the metal too fast making it flawed and weak.

Until Servimetal of France asked ICI Chemical Products to apply themselves to the problem.



Careful study of water-soluble polymers produced results. We found we were able to extend the molecules to such a degree we could produce a modified "water".

Or more accurately, a polymer for an aqueous-based quenchant with specific flow characteristics and high viscosity.

It not only met Servimetal's precise requirements, it exceeded them.

Erakarox, as the polymer for the new quenchant is called, is a high viscosity polyglycol that can be produced in almost any grade or thickness to meet a heat treater's particular needs.

And try as they will, none of our competitors have been able to produce a polyglycol for

an aqueous quenchant that can match it.

One that does as good a job as mineral oil-based quenchants in nearly every case.

And makes a foundry a little less like hell to work in.

If you need a problem solved or want more information contact Edna Moore, ICI Chemicals & Polymers, Wilton Centre, P.O. Box 90, Middlesbrough, Cleveland, TS6 8JE. Tel: (0642) 432852.

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ON ROUTE TO STOCKTON



ON ROUTE TO SUCCESS

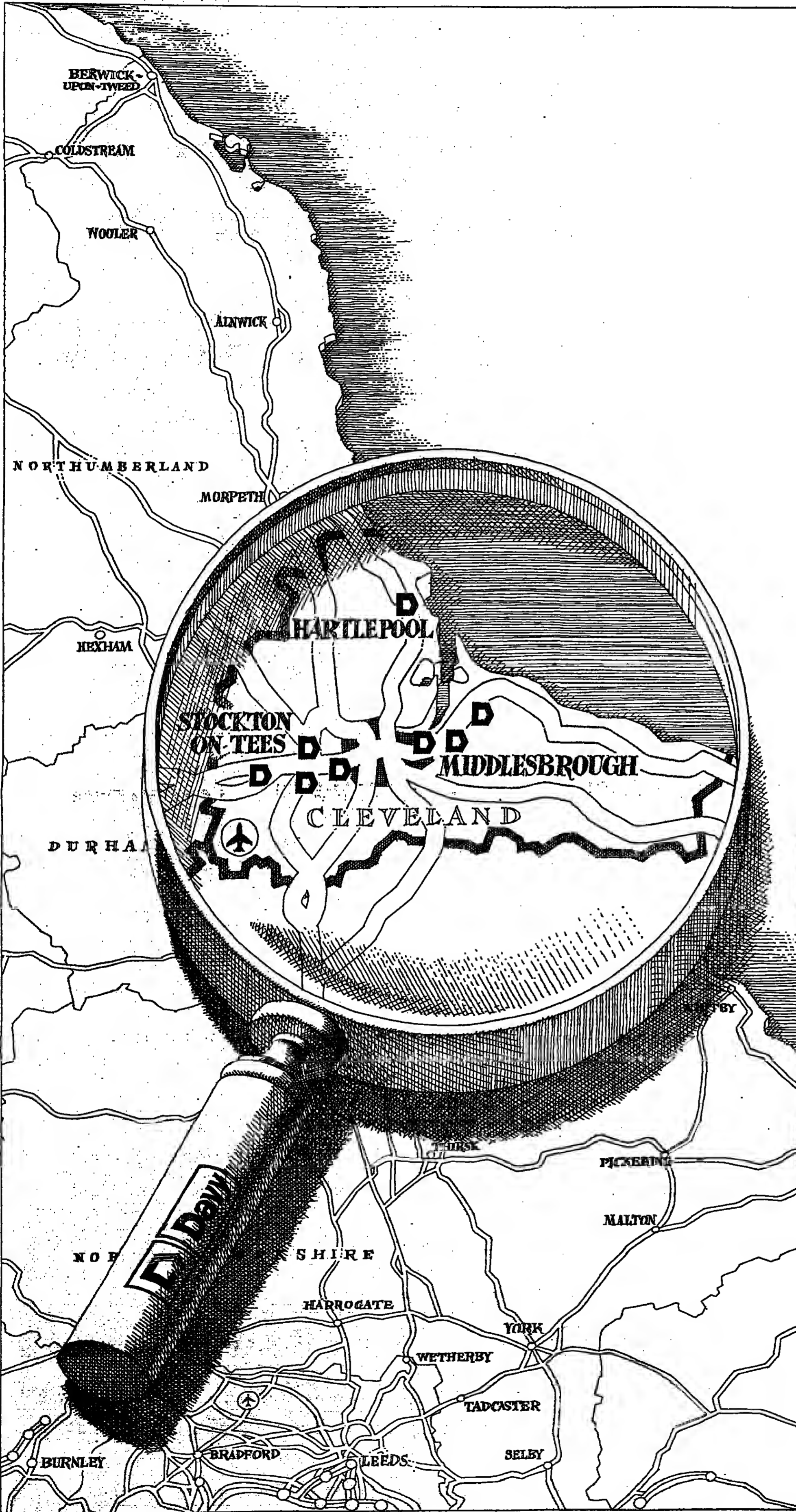
Stockton is fast becoming the centre of attention in the business world and the Council is playing a vital role in creating new opportunities.

- Attracting major companies - names such as Samsung and Tabuchi.
- Helping new businesses through Urban Development Grants and funding from the Teesside Development Corporation.
- Providing financial support to new projects such as ICI's Belasis Hall Technology Park and Stockton's Enterprise Centre.

Plus there's all sorts of exciting new developments in the pipeline - including MARI high-tech training and research centre and Cameron Hall Developments Wynyard Park.

If Stockton has caught your attention we'd like to keep it. Contact: Tony Foulser on (0642) 613921 now.

STOCKTON-ON-TEES Borough Council
Development Services Department
Tower Street, Stockton-on-Tees
Cleveland, TS18 3BE.



YOU COULD SAY THAT DAVY'S CHOICE OF LOCATION IS SLIGHTLY BIASED.

In 1985 Davy celebrated its hundredth anniversary in Stockton. It comes as no surprise then to find that Davy Corporation has a particular affiliation with, and affection for, Teesside.

Despite the fact that Davy's multinational interests and projects are now spread over nearly fifty countries worldwide, employing over 10,000 people, Teesside has retained a prominent position in the company's affairs.

The region's technology skills, combined with a vigorous attitude to challenge, has provided Davy with a formidable workforce of nearly 2,000.

Together they generate sales of over £100 million a year and contribute notably to Davy Corporation's financial performance. Five of Davy's nineteen Queen's Awards were won by the Teesside companies.

Davy McKee Stockton—a world leader in engineering and construction for the iron and steel and non-ferrous industries.

Davy McKee Research & Development—Davy's largest concentration of R&D for the metals, minerals, chemical, petro-chemical and other process industries.

Davy McKee Nuclear—currently working on contracts for BNFL and CEBG valued at £150 million over the next four years.

Teesside Engineering Design Services—design and detailing for a wide range of engineering industries.

Davy Offshore—combining Davy McKee's total project experience in offshore oil and gas with the construction capabilities of Davy Offshore Modules and Davy Normanby, both in Middlesbrough.

Davy Forge—suppliers of forgings in alloy steel and non-ferrous to high technology customers worldwide.

A. Monk Building & Civil Engineering—housing, industrial civil works, offices, roads, bridges and tunnelling.

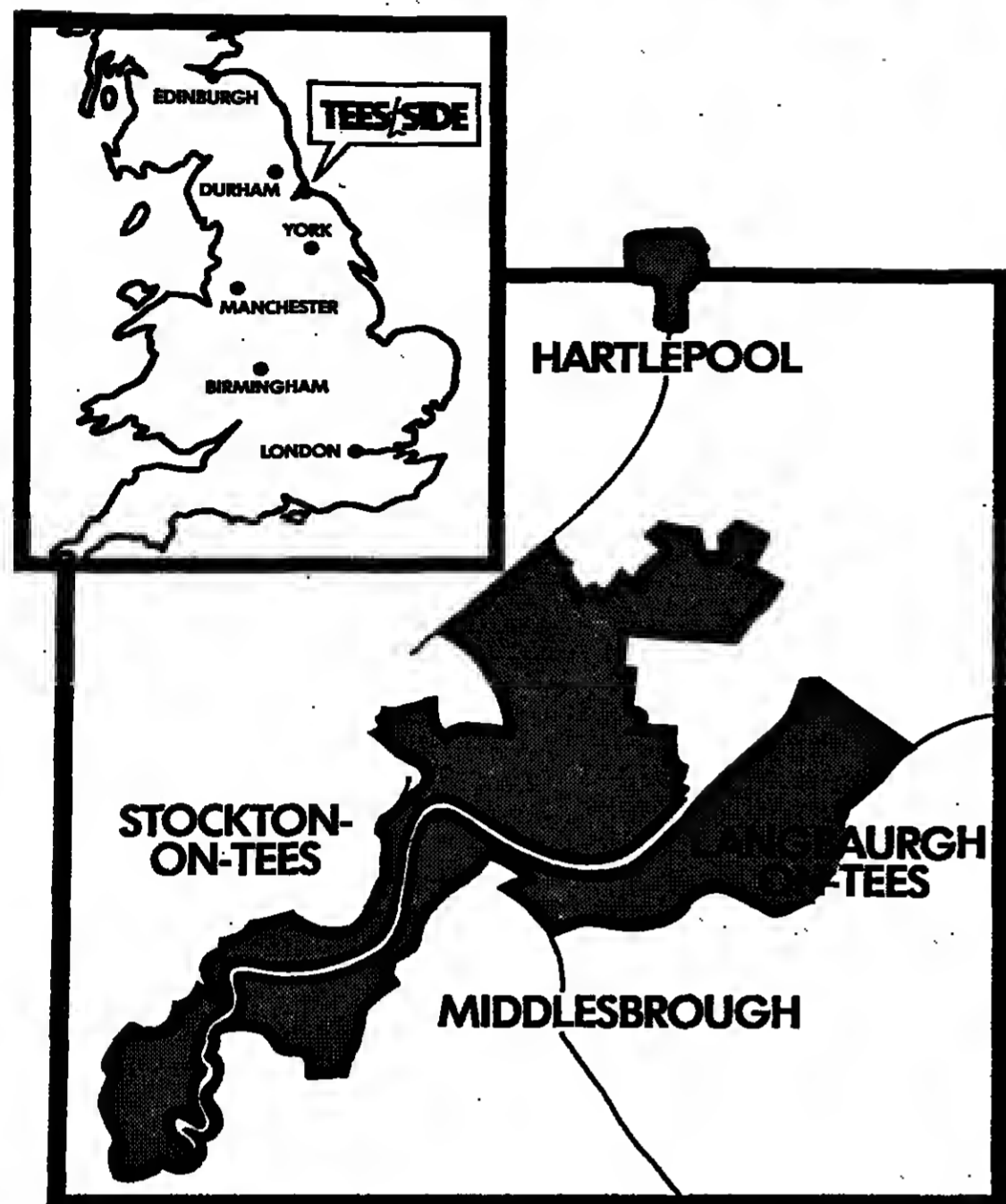
Lloyds British Testing—certification, lifting engineering and equipment hire, module weighing, youth and adult training services.

To our clients around the world Davy and Teesside have become synonymous with engineering technology at its best.



Davy Corporation plc
15 Portland Place, London W1A 4DD

'...where you have initiative, talent and ability, the money follows...'



the Rt Hon Margaret Thatcher, Prime Minister, Teesside, 16 September 1987

Initiative

Within weeks of becoming operational Teesside Development Corporation acted as the catalyst to speed the progress of a host of established and new initiatives, all of which offers outstanding development and investment opportunities. Among them -

Teesdale riverside housing, commercial and retail scheme

Teesside Offshore Base for ocean bed technology

Hartlepool Marina and maritime heritage complex

Teesside international nature reserve

Teesside regional leisure centre

Belasis Hall Technology Park

Bowesfield Park prestige industrial development

Tees walkway and weir to enhance waterside environment

Research and Development opportunities with ICI and the chemical industry

Middlehaven commercial/residential development

Improvements to communications and other facilities

Major foreign investment testifies to confidence in Teesside. Already established there - companies from Japan, Hong Kong, Singapore, Germany, Scandinavia, the Netherlands and the USA.

"60 years of successful ICI production research and commercial drive in and from the Region would not have been possible without the high quality of skills, commitment and support of the people of Teesside."

- Denis Henderson, Chairman, ICI

Talent

Talent abounds on Teesside. The talent of an industrial and commercial base that has been established for over a century. The talent of giant corporations and smaller specialist enterprises. The talent and skills of Teessiders - which reach across heavy and light engineering, chemical and petrochemicals engineering, major port and oil terminal operation, computer exploitation, food technology and design, professional and advisory services. Talent that is expressing itself in a number of advanced areas. Among them -

ICI chemicals expertise and advanced R & D centre

British Steel's worldwide expertise

Davy McKee's worldwide advanced engineering

ICI, BASF and Phillips Petroleum petrochemicals capability

Europe's biggest CAD/CAM centre - on Middlesbrough Enterprise Zone

RHM Foods and other specialist firms' foods and soft drinks development

Whessoe, Trafalgar House and British Telecom International Marine Services offshore technologies and services

Davy Forge and Expanded Metals metal manufacture and conversion technologies

Nissan Teesside Terminal

"Two years ago the Davy Group marked 100 years of continuous operation on Teesside, with the centenary of Ashmore Benson Pease. Today, our worldwide operations in the minerals, metals and nuclear industries; our R&D Centre, which has a leading edge on world technology; and the HQ of our offshore module building and marine services - are all on Teesside. Their success is based on the enterprise and technical capability of the people who work on Teesside. We look forward to another century of successful service to our customers worldwide from our strong base on Teesside."

- Lord Jellicoe, Chairman, Davy Corporation

Ability

The biggest of them all, Teesside Development Corporation, has the ability to harness Teesside's many strengths. With great powers of control over 19 square miles of land, the Development Corporation has an enthusiastic Board determined to succeed in the regeneration of the area. A Board on which Local Authorities are represented who have already laid much of the foundation of new industry and new facilities on which the TDC is building. Among Teesside's multiple strengths -

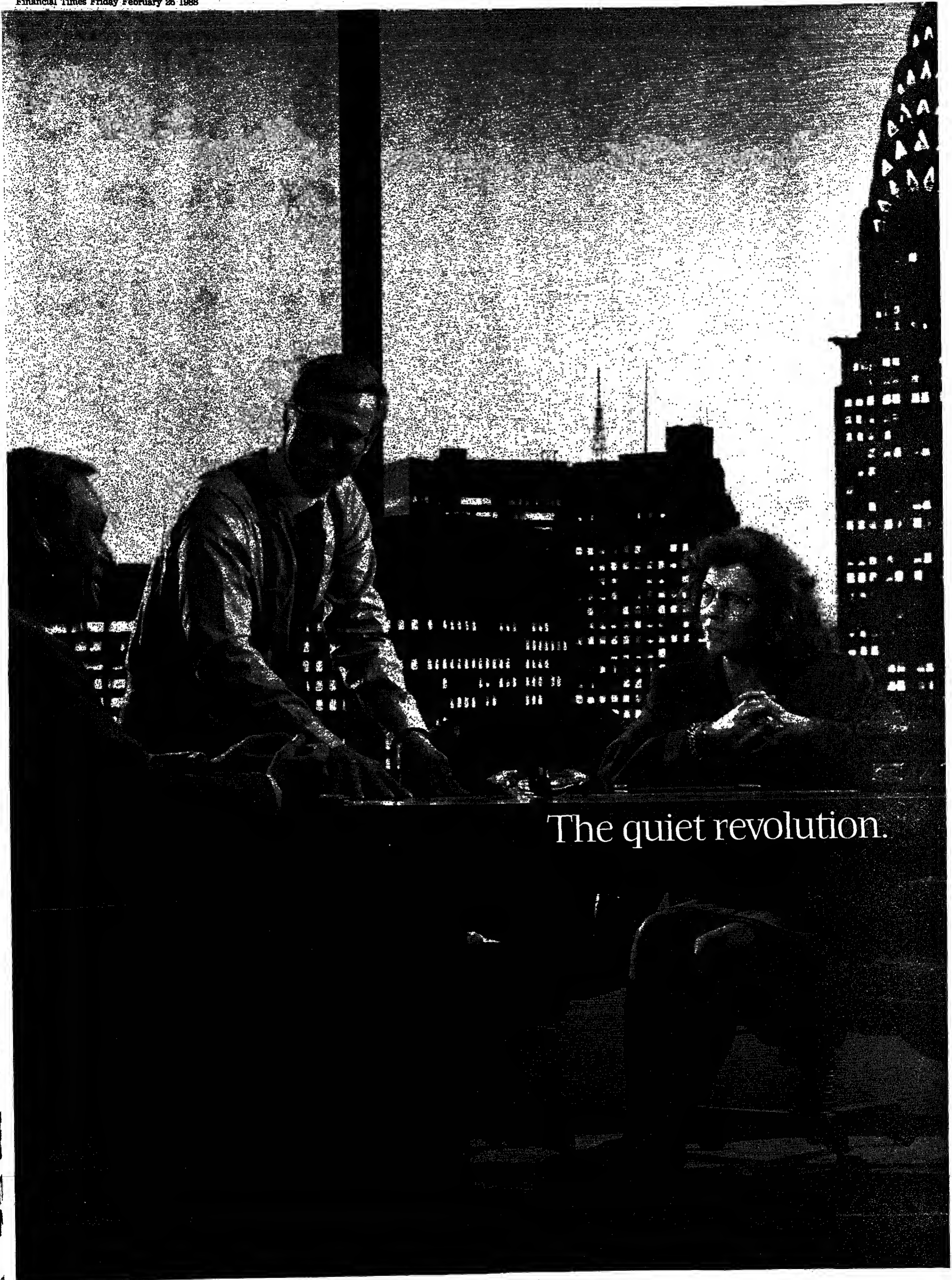
Teesside is a Development Area that also boasts two Enterprise Zones - with all the financial incentives that this implies for new and expanding enterprise. Teesside enjoys European Community grant and loan opportunities.

An established gateway to Europe, Teesside operates the third largest port in the UK.

Through its port and excellent motorway and rail links, Teesside commands a massive population market in the UK and on the European mainland.

To find out more about Teesside's Initiative, Talent and Ability: Contact Duncan Hall, Chief Executive, Teesside Development Corporation, Tees House, Riverside Park, Middlesbrough, Cleveland TS2 1RE. Tel: (0642) 230636.

TEES/SIDE DEVELOPMENT CORPORATION



The quiet revolution.

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September 1987

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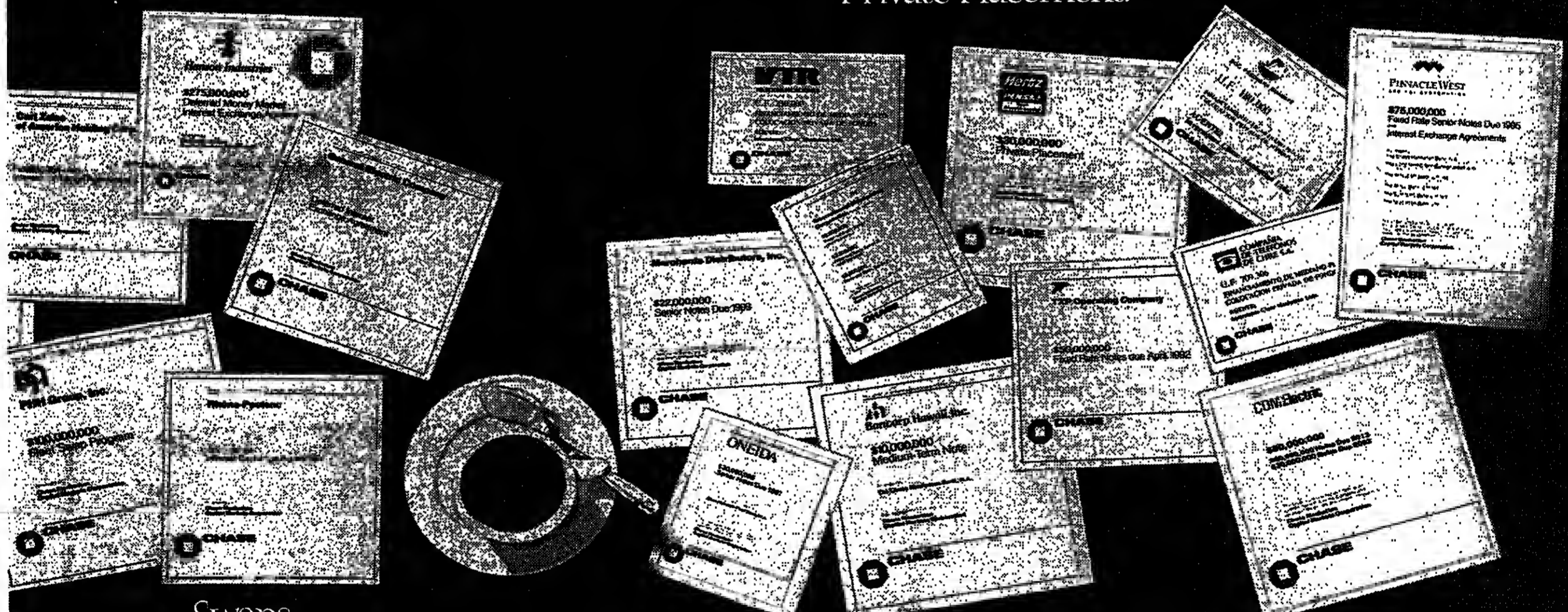
Quietly, Chase has been building a bridge between its global commercial banking and its global investment banking.

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Investment Leasing.

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Swaps.

Syndications



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Merchant Banking.



Quietly, Chase has revolutionized the way banks do business by giving clients an unprecedented choice of ways to conclude a successful deal.

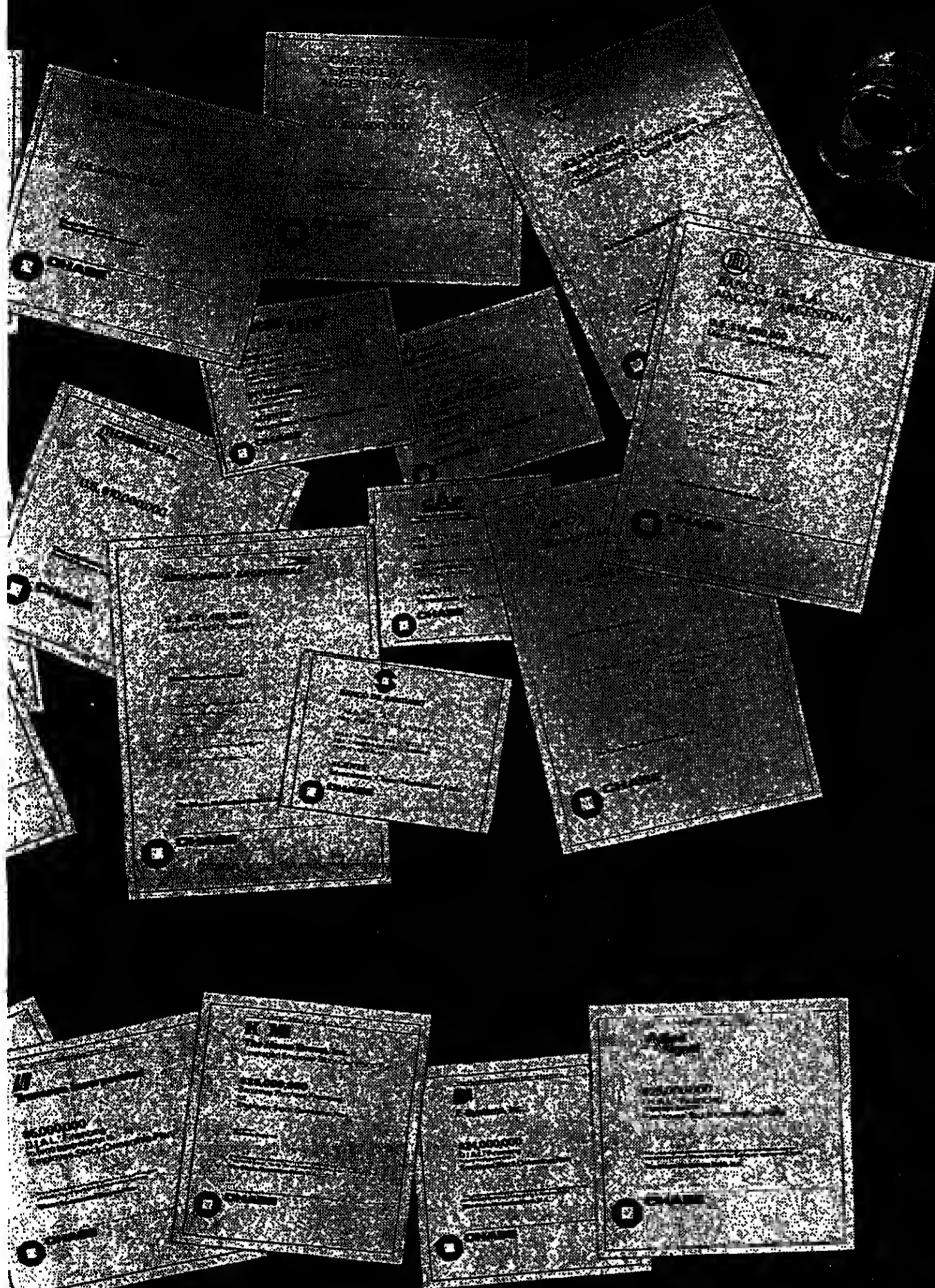
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Quietly, this major progression in banking by Chase has yielded a response from our customers that's growing louder every year.

In our own quiet way, at Chase we've been pioneering an approach to banking that's breaking down the old ways of doing business.

Nowadays, we don't view our commercial banking as separate from our investment banking, or vice versa.

Instead, we see them as a total entity which provides a vast pool of resources, products and services our corporate customers can freely draw from.

Which means that however complex or individual your financing requirements are, we can help you put together a deal which provides a solution that's cost-effective and timely.

Apparently, our clients are very happy about the options which our integrated approach opens up.

How else are we to interpret the record number of deals we've wrapped up for them in the past twelve months?

Of course, our success isn't solely the result of the sizable experience in corporate financing which this integration gives us.

Our long-established presence in sixty countries also helps. As does our in-depth knowledge of key industries. And our impressive capital base of over \$10 billion.

But it's undoubtedly our bold, imaginative bridging of investment and commercial banking that's drawing such loud approval.

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